UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended September 30, 2026

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 001-34569

Ellington Financial Inc.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**26-0489289**
(State or Other Jurisdiction of Incorporation or Organization)	**(I.R.S. Employer Identification No.)**

53 Forest Avenue
Old Greenwich, Connecticut, 06870
(Address of Principal Executive Offices) (Zip Code)
(203) 698-1200
(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
Common Stock, $0.001 par value per share	EFC	The New York Stock Exchange
6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Stock	EFC PR B	The New York Stock Exchange
8.625% Series C Fixed-Rate Reset Cumulative Redeemable Preferred Stock	EFC PR C	The New York Stock Exchange
7.000% Series D Cumulative Perpetual Redeemable Preferred Stock	EFC PRD	The New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

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 Exchange Act). Yes ☐ No ☒

Number of shares of the Registrant's common stock outstanding as of November 6, 2026: 129,794,640

ELLINGTON FINANCIAL INC.
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PART I—FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements (Unaudited)

ELLINGTON FINANCIAL INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

(In thousands, except share amounts)	September 30, 2026	December 31, 2025
	Expressed in U.S. Dollars	
Assets		
Cash and cash equivalents[1]	$ 269,485	$ 201,893
Restricted cash[1]	33,187	136,297
Securities, at fair value[1][2]	1,225,486	1,034,882
Loans, at fair value[1][2]	18,502,857	16,640,647
Loan commitments, at fair value	9,734	9,124
Forward MSR-related investments, at fair value[1]	74,379	77,852
Mortgage servicing rights, at fair value	30,289	28,913
Investments in unconsolidated entities, at fair value[1]	384,570	312,421
Real estate owned[1][2]	101,727	75,548
Financial derivatives—assets, at fair value	346,562	142,723
Reverse repurchase agreements	661,830	453,037
Due from brokers	70,690	35,919
Investment related receivables[1]	172,914	177,208
Other assets[1]	36,693	26,446
Total Assets	$ 21,920,403	$ 19,352,910
Liabilities		
Securities sold short, at fair value	$ 258,776	$ 272,702
Repurchase agreements[1]	3,570,514	2,655,444
Financial derivatives—liabilities, at fair value	195,319	53,073
Due to brokers	97,765	48,104
Investment related payables	57,789	36,092
Other secured borrowings[1]	251,568	296,398
Other secured borrowings, at fair value[1]	3,273,346	2,945,578
HMBS-related obligations, at fair value	11,294,032	10,406,332
Unsecured borrowings, at fair value	759,127	659,832
Base management fee payable to affiliate	7,344	6,869
Incentive fee payable to affiliate	902	—
Dividends payable	19,821	19,428
Interest payable[1]	24,141	26,798
Accrued expenses and other liabilities[1]	76,953	55,105
Total Liabilities	19,887,397	17,481,755
Commitments and contingencies (Note 24)		
Equity		
Preferred stock, 100,000,000 shares authorized; 9,200,089 and 13,800,089 shares issued and outstanding, and $230,002 and $345,002 aggregate liquidation preference, respectively	220,924	331,958
Common stock, par value $0.001 per share, 300,000,000 shares authorized; 130,116,611 and 113,138,860 shares issued and outstanding, respectively	130	113
Additional paid-in-capital	2,141,047	1,915,152
Retained earnings (accumulated deficit)	(371,134)	(412,964)
Total Stockholders' Equity	1,990,967	1,834,259
Non-controlling interests[1]	42,039	36,896
Total Equity	2,033,006	1,871,155
Total Liabilities and Equity	$ 21,920,403	$ 19,352,910

(1) Ellington Financial Inc.'s Consolidated Balance Sheets include assets and liabilities of variable interest entities it has consolidated. See Note 12 for additional details on Ellington Financial Inc.'s consolidated variable interest entities.
(2) Includes assets pledged as collateral to counterparties. See Note 14 for additional details on the Company's borrowings and related collateral.

See Notes to Condensed Consolidated Financial Statements

ELLINGTON FINANCIAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Three-Month Period Ended		Nine-Month Period Ended	
(In thousands, except per share amounts)	**September 30, 2026**	**September 30, 2025**	**September 30, 2026**	**September 30, 2025**
Net Interest Income				
Interest income	$ 174,687	$ 122,846	$ 495,026	$ 354,230
Interest expense	(105,735)	(73,126)	(292,535)	(217,910)
Total net interest income	68,952	49,720	202,491	136,320
Other Income (Loss)				
Realized gains (losses) on securities and loans, net	(7,659)	9,335	(6,048)	7,442
Realized gains (losses) on financial derivatives, net	35,294	(8,335)	59,452	2,787
Realized gains (losses) on real estate owned, net	(1,498)	(3,402)	(11,726)	(5,692)
Realized gains (losses) on unsecured borrowings, at fair value	(2,235)	—	(2,235)	(1,383)
Unrealized gains (losses) on securities and loans, net	(150,973)	24,416	(154,638)	130,334
Unrealized gains (losses) on financial derivatives, net	33,051	(3,197)	44,565	(55,920)
Unrealized gains (losses) on real estate owned, net	(1,524)	736	1,296	(3,971)
Unrealized gains (losses) on other secured borrowings, at fair value, net	121,380	(21,144)	138,589	(78,352)
Unrealized gains (losses) on unsecured borrowings, at fair value, net	8,835	(2,890)	13,705	(3,563)
Net change from HECM reverse mortgage loans, at fair value	85,403	205,973	472,457	551,780
Net change related to HMBS obligations, at fair value	(72,547)	(171,019)	(387,796)	(460,701)
Litigation settlement income	—	—	17,000	—
Other, net	1,242	2,563	25,010	39,125
Total other income (loss)	48,769	33,036	209,631	121,886
Expenses				
Base management fee to affiliate (Net of fee rebates of $238, $532, $652, and $649, respectively)[(1)]	7,344	6,173	21,800	18,535
Incentive fee to affiliate	902	—	21,043	4,533
Investment and transaction related expenses:				
Servicing expense	8,430	7,198	24,163	21,437
Debt issuance costs related to Other secured borrowings, at fair value	—	1,397	6,482	3,677
Debt issuance costs related to unsecured borrowings, at fair value	2,078	—	2,078	—
Other	11,885	9,218	36,097	24,974
Professional fees	3,165	2,862	9,717	9,721
Compensation and benefits	28,589	21,716	78,793	59,990
Other expenses	9,506	8,448	28,120	23,194
Total expenses	71,899	57,012	228,293	166,061
Net Income (Loss) before Income Tax Expense (Benefit) and Earnings (Losses) from Investments in Unconsolidated Entities	45,822	25,744	183,829	92,145
Income tax expense (benefit)	1,987	1,060	3,005	2,439
Earnings (losses) from investments in unconsolidated entities	2,098	13,074	30,637	38,449
Net Income (Loss)	45,933	37,758	211,461	128,155
Net income (loss) attributable to non-controlling interests	1,346	1,180	2,950	2,934
Dividends on preferred stock	4,205	7,074	14,293	21,145
Issuance costs of redeemed preferred stock	—	—	3,966	—
Net Income (Loss) Attributable to Common Stockholders	$ 40,382	$ 29,504	$ 190,252	$ 104,076
Net Income (Loss) per Share of Common Stock:				
Basic and Diluted	$ 0.31	$ 0.29	$ 1.51	$ 1.08

(1) See Note 16 for further details on management fee rebates.

See Notes to Condensed Consolidated Financial Statements

ELLINGTON FINANCIAL INC.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)

(In thousands, except share amounts)	Preferred Stock	Common Stock Shares	Common Stock Par Value	Additional Paid-in Capital	Retained Earnings/(Accumulated Deficit)	Total Stockholders' Equity	Non-controlling Interest	Total Equity
					Expressed in U.S. Dollars			
BALANCE, December 31, 2025	$ 331,958	113,138,860	$ 113	$ 1,915,152	$ (412,964)	$ 1,834,259	$ 36,896	$ 1,871,155
Net income (loss)					105,316	105,316	2,177	107,493
Net proceeds from the issuance of common stock[1]		11,510,163	12	154,582		154,594		154,594
Contributions from non-controlling interests							11,565	11,565
Common dividends					(48,613)	(48,613)	(524)	(49,137)
Preferred dividends					(5,883)	(5,883)	—	(5,883)
Distributions to non-controlling interests							(17,880)	(17,880)
Adjustment to non-controlling interests				(5,607)		(5,607)	5,607	—
Redemption of shares of preferred stock	(111,034)				(3,966)	(115,000)		(115,000)
Share-based long term incentive plan unit awards		—	—	1,070		1,070	11	1,081
BALANCE, March 31, 2026	220,924	124,649,023	125	2,065,197	(366,110)	1,920,136	37,852	1,957,988
Net income (loss)					58,608	58,608	(573)	58,035
Net proceeds from the issuance of common stock[1]		2,782,358	3	37,430		37,433		37,433
Shares of common stock issued in connection with incentive fee payment		161,934	—	1,880		1,880		1,880
Contributions from non-controlling interests							1,477	1,477
Common dividends					(49,226)	(49,226)	(632)	(49,858)
Preferred dividends					(4,205)	(4,205)		(4,205)
Distributions to non-controlling interests							(4,845)	(4,845)
Adjustment to non-controlling interests				14		14	(14)	—
Share-based long term incentive plan unit awards		—	—	1,512		1,512	19	1,531
BALANCE, June 30, 2026	220,924	127,593,315	128	2,106,033	(360,933)	1,966,152	33,284	1,999,436
Net income (loss)					44,587	44,587	1,346	45,933
Net proceeds from the issuance of common stock[1]		2,496,140	2	33,657		33,659		33,659
Shares of common stock issued in connection with incentive fee payment		6,794	—	90		90		90
Restricted common shares issued under incentive plan		20,362	—	—		—	—	—
Contributions from non-controlling interests							11,589	11,589
Common dividends					(50,583)	(50,583)	(636)	(51,219)
Preferred dividends					(4,205)	(4,205)		(4,205)
Distributions to non-controlling interests							(3,827)	(3,827)
Adjustment to non-controlling interests				(264)		(264)	264 —	—
Share-based long term incentive plan unit awards		—	—	1,531		1,531	19	1,550
BALANCE, September 30, 2026	$ 220,924	130,116,611	$ 130	$ 2,141,047	$ (371,134)	$ 1,990,967	$ 42,039	$ 2,033,006

See Notes to Condensed Consolidated Financial Statements

ELLINGTON FINANCIAL INC.
CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)
(UNAUDITED)

(In thousands, except share amounts)	Preferred Stock	Common Stock Shares	Common Stock Par Value	Additional Paid-in Capital	Retained Earnings/(Accumulated Deficit)	Total Stockholders' Equity	Non-controlling Interest	Total Equity
					Expressed in U.S. Dollars			
BALANCE, December 31, 2024	$ 331,958	90,678,492	$ 91	$ 1,613,540	$ (375,113)	$ 1,570,476	20,346	$ 1,590,822
Net income (loss)					38,684	38,684	640	39,324
Net proceeds from the issuance of common stock[1]		3,750,388	3	50,822		50,825		50,825
Contributions from non-controlling interests							5,569	5,569
Common dividends					(35,852)	(35,852)	(380)	(36,232)
Preferred dividends					(7,035)	(7,035)		(7,035)
Distributions to non-controlling interests							(6,076)	(6,076)
Adjustment to non-controlling interests				(3,249)		(3,249)	3,249	—
Share-based long term incentive plan unit awards		—	—	415		415	4	419
BALANCE, March 31, 2025	331,958	94,428,880	94	1,661,528	(379,316)	1,614,264	23,352	1,637,616
Net income (loss)					49,959	49,959	1,114	51,073
Net proceeds from the issuance of common stock[1]		3,428,400	4	44,516		44,520		44,520
Shares of common stock issued in connection with incentive fee payment		33,877	—	444		444		444
Contributions from non-controlling interests							6,638	6,638
Common dividends					(37,655)	(37,655)	(441)	(38,096)
Preferred dividends					(7,036)	(7,036)		(7,036)
Distributions to non-controlling interests							(6,688)	(6,688)
Adjustment to non-controlling interests				28		28	(28)	—
Share-based long term incentive plan unit awards		—	—	1,028		1,028	11	1,039
BALANCE, June 30, 2025	331,958	97,891,157	98	1,707,544	(374,048)	1,665,552	23,958	1,689,510
Net income (loss)					36,578	36,578	1,180	37,758
Net proceeds from the issuance of common stock[1]		8,156,876	8	110,014		110,022		110,022
Restricted common shares issued under incentive plan		18,396	—	—		—		—
Contributions from non-controlling interests							10,576	10,576
Common dividends					(40,180)	(40,180)	(445)	(40,625)
Preferred dividends					(7,074)	(7,074)		(7,074)
Distributions to non-controlling interests							(5,414)	(5,414)
Adjustment to non-controlling interests				(232)		(232)	232	—
Share-based long term incentive plan unit awards		—	—	1,055		1,055	12	1,067
BALANCE, September 30, 2025	$ 331,958	106,066,429	$ 106	$ 1,818,381	$ (384,724)	$ 1,765,721	$ 30,099	$ 1,795,820

(1) Net of discounts and commissions and offering costs.

See Notes to Condensed Consolidated Financial Statements

ELLINGTON FINANCIAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	Nine-Month Period Ended	
	September 30, 2026	**September 30, 2025**
(In thousands)	*(Expressed in U.S. Dollars)*	
Cash Flows from Operating Activities:		
Net cash provided by (used in) operating activities	$ (12,443)	$ (627,347)
Cash Flows from Investing Activities:		
Purchase of securities	(647,110)	(791,699)
Purchase and origination of loans	(8,468,419)	(4,700,919)
Receipt of distributions on Forward MSR-related investments	17,281	21,194
Proceeds from disposition of securities	497,447	867,160
Proceeds from disposition of loans	231,034	480,129
Contributions to investments in unconsolidated entities	(70,665)	(227,492)
Distributions from investments in unconsolidated entities	480,154	358,713
Proceeds from disposition of real estate owned	62,689	56,225
Capital improvements of real estate owned	(680)	—
Proceeds from FHA insurance claims and other receivables on HECM loans	181,151	88,719
Proceeds from principal payments of securities	166,471	127,866
Proceeds from principal payments of loans	1,671,529	1,723,296
Proceeds from securities sold short	555,706	838,175
Repurchase of securities sold short	(553,177)	(906,721)
Payments on financial derivatives	(266,688)	(300,069)
Proceeds from financial derivatives	291,462	288,524
Increase (decrease) in cash balance resulting from business acquisition	(2,147)	—
Payments made on reverse repurchase agreements	(50,134,341)	(47,360,579)
Proceeds from reverse repurchase agreements	49,925,527	47,333,180
Due from brokers, net	6,366	(20,018)
Due to brokers, net	35,574	(27,909)
Net cash provided by (used in) investing activities	(6,020,836)	(2,152,225)
Cash Flows from Financing Activities:		
Net proceeds from the issuance of common stock[(1)]	226,222	205,681
Offering costs paid	(727)	(76)
Redemption of preferred stock	(115,000)	—
Dividends paid	(164,114)	(134,112)
Contributions from non-controlling interests	22,960	22,491
Distributions to non-controlling interests	(26,552)	(18,178)
Proceeds from issuance of Other secured borrowings	1,959,426	1,752,463
Principal payments on Other secured borrowings	(2,004,256)	(1,739,250)
Borrowings under repurchase agreements	38,399,075	40,304,114
Repayments of repurchase agreements	(33,021,205)	(38,156,823)
Proceeds from issuance of Other secured borrowings, at fair value, net	125,150	62,472
Net proceeds from unsecured borrowings, at fair value	146,437	—
Repayment of unsecured borrowings, at fair value	(37,750)	(34,931)
Proceeds from issuance of HMBS	1,295,685	1,141,888
Principal payments on HMBS-related obligations, at fair value	(798,200)	(627,899)
Due from brokers, net	(9,099)	(1,419)
Due to brokers, net	(291)	(219)
Net cash provided by (used in) financing activities	$ 5,997,761	$ 2,776,202

See Notes to Condensed Consolidated Financial Statements

ELLINGTON FINANCIAL INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(UNAUDITED)

	Nine-Month Period Ended	
	September 30, 2026	**September 30, 2025**
(In thousands)	*Expressed in U.S. Dollars*	
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	(35,518)	(3,370)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Period	338,190	208,948
Cash, Cash Equivalents, and Restricted Cash, End of Period	$ 302,672	$ 205,578
Reconciliation of cash, cash equivalents, and restricted cash		
Cash and cash equivalents, beginning of period	$ 201,893	$ 192,387
Restricted cash, beginning of period	136,297	16,561
Cash and cash equivalents and restricted cash, beginning of period	338,190	208,948
Cash and cash equivalents, end of period	269,485	184,809
Restricted cash, end of period	33,187	20,769
Cash and cash equivalents and restricted cash, end of period	302,672	205,578
Supplemental disclosure of cash flow information:		
Interest paid	$ 295,191	$ 215,255
Income tax paid (refunded)	4,113	884
Dividends payable	19,821	18,597
Shares issued in connection with incentive fee payment (non-cash)	1,970	444
Transfers from mortgage loans to real estate owned (non-cash)	98,529	71,311
Transfers from mortgage loans to other sales and claims receivable (non-cash)	180,254	88,242
Transfers from mortgage loans to investments in unconsolidated entities (non-cash)	158,791	42,701
Transfers from investments in unconsolidated entities to mortgage loans (non-cash)	8,225	21,890
Increase (decrease) in HMBS buyout obligations (non-cash)	2,419	(7,923)
Contributions to investments in unconsolidated entities (non-cash)	(300,433)	(139,569)
Purchase of investments (non-cash)	(191,238)	(116,497)
Purchase of loans (non-cash)	(755,633)	(1,829,930)
Proceeds from the disposition of loans (non-cash)	5,173,861	3,815,766
Proceeds from principal payments of investments (non-cash)	220,815	143,766
Proceeds from borrowings under repurchase agreements (non-cash)	—	77,310
Principal payments on Other secured borrowings (non-cash)	—	(77,310)
Principal payments on Other secured borrowings, at fair value (non-cash)	(220,815)	(144,167)
Proceeds received from Other secured borrowings, at fair value (non-cash)	548,662	280,981
Repayments of repurchase agreements (non-cash)	(4,462,800)	(2,007,677)
Debt issuance costs related to Other secured borrowings, at fair value (non-cash)	(6,482)	(3,677)

(1) Net of discounts and commissions.

See Notes to Condensed Consolidated Financial Statements

ELLINGTON FINANCIAL INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2026
(UNAUDITED)

1. Organization and Investment Objective

Ellington Financial Inc. commenced operations on August 17, 2007 and is a Delaware corporation. Ellington Financial Operating Partnership LLC (the "Operating Partnership"), a 98.9% owned consolidated subsidiary of Ellington Financial Inc., was formed as a Delaware limited liability company on December 14, 2012 and commenced operations on January 1, 2013. All of Ellington Financial Inc.'s operations and business activities are conducted through the Operating Partnership. Ellington Financial Inc., the Operating Partnership, and their consolidated subsidiaries are hereafter collectively referred to as the "Company." All intercompany accounts are eliminated in consolidation.

The Company conducts its operations to qualify and be taxed as a real estate investment trust (a "REIT") under the Internal Revenue Code of 1986, as amended (the "Code").

Ellington Financial Management LLC (the "Manager") is an SEC-registered investment adviser that serves as the manager to the Company pursuant to the terms of its Ninth Amended and Restated Management Agreement (the "Management Agreement"); see Note 16 for additional details. The Manager is an affiliate of Ellington Management Group, L.L.C. ("Ellington"), an investment management firm that is registered as both an investment adviser and a commodity pool operator. In accordance with the terms of the Management Agreement, the Manager implements the investment strategy and manages the business and operations on a day-to-day basis for the Company and performs certain services for the Company, subject to oversight by Ellington Financial Inc.'s Board of Directors (the "Board of Directors").

The Company has two reportable segments, the Investment Portfolio Segment and the Longbridge Segment. The Investment Portfolio Segment is focused on investing in a diverse array of financial assets, including residential and commercial mortgage loans; residential mortgage-backed securities ("RMBS"), including retained tranches from securitizations to which we have contributed assets, and RMBS for which the principal and interest payments are guaranteed by a U.S. government agency or a U.S. government-sponsored entity ("Agency RMBS"); commercial mortgage-backed securities ("CMBS"); investments referencing a portfolio of mortgage servicing rights on forward mortgage loans ("Forward MSR-related investments"); consumer loans and asset-backed securities ("ABS") including ABS backed by consumer loans; collateralized loan obligations ("CLOs"); non-mortgage- and mortgage-related derivatives; debt and equity investments in loan origination companies; and other strategic investments. The Longbridge Segment is primarily focused on the origination and servicing of, and investment in, reverse mortgage loans, including associated financial assets, financing, hedging, and allocated expenses. Longbridge Financial, LLC ("Longbridge"), a wholly owned subsidiary of the Company, acquires reverse mortgage loans both through its origination activities and through secondary market purchases. Longbridge purchases and acquires home equity conversion mortgage loans ("HECMs") which are insured by the Federal Housing Administration ("FHA"). Such loans are generally eligible for securitization into HECM-backed MBS ("HMBS") which are guaranteed by the Government National Mortgage Association ("GNMA"). Longbridge is an approved issuer of HMBS, and it transfers HECM loans into HMBS, which it then sells in the secondary market while retaining the servicing rights on the underlying HECM loans. Longbridge also originates and purchases non-FHA-insured reverse mortgage loans originated under guidelines established by private lenders, which the Company refers to as "Proprietary reverse mortgage loans." Proprietary reverse mortgage loans typically carry loan balances or credit lines that exceed FHA limits or have other characteristics that make them ineligible for FHA insurance.

2. Significant Accounting Policies

(A) Basis of Presentation: The Company's unaudited condensed consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America ("U.S. GAAP") and Regulation S-X. The condensed consolidated financial statements include the accounts of the Company, the Operating Partnership, its subsidiaries, and variable interest entities ("VIEs") for which the Company is deemed to be the primary beneficiary. All intercompany balances and transactions have been eliminated. The preparation of 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 at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and those differences could be material. In management's opinion, all material adjustments considered necessary for a fair statement of the Company's consolidated financial statements have been included and are only of a normal recurring nature. Interim results are not necessarily indicative of the results that may be expected for the entire fiscal year. The information included in the condensed consolidated financial statements and notes thereto should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2025.

(B) Valuation: The Company applies ASC 820-10, *Fair Value Measurement* ("ASC 820") to its holdings of financial instruments. ASC 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The valuation hierarchy is based upon the observability of inputs to the valuation of an asset or liability as of the measurement date. The three levels are defined as follows:

- Level 1—inputs to the valuation methodology are observable and reflect quoted prices (unadjusted) for identical assets or liabilities in active markets. Currently, the types of financial instruments the Company generally includes in this category are listed equities and exchange-traded derivatives;
- Level 2—inputs to the valuation methodology other than quoted prices included in Level 1 are observable for the asset or liability, either directly or indirectly. The types of financial instruments that the Company generally includes in this category are RMBS, for which the principal and interest payments are guaranteed by a U.S. government agency or a U.S. government-sponsored entity ("Agency RMBS"), U.S. Treasury securities and sovereign debt, certain non-Agency RMBS, CMBS, CLOs, corporate debt, and actively traded derivatives such as interest rate swaps, foreign currency forwards, and other over-the-counter derivatives; and
- Level 3—inputs to the valuation methodology are unobservable and significant to the fair value measurement. The types of financial instruments that the Company generally includes in this category are certain RMBS, CMBS, CLOs, ABS, credit default swaps ("CDS") on individual ABS, and total return swaps on distressed corporate debt, in each case where there is less price transparency. Also included in this category are residential and commercial mortgage loans, consumer loans, reverse mortgage loans, private corporate debt and equity investments, loan commitments, loan purchase commitments, mortgage servicing rights ("MSRs"), Forward MSR-related investments, other secured borrowings, at fair value, HMBS-related obligations, at fair value, and Unsecured borrowings, at fair value.

For certain financial instruments, the various inputs that management uses to measure fair value may fall into different levels of the fair value hierarchy. For each such financial instrument, the determination of which category within the fair value hierarchy is appropriate is based on the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the various inputs that management uses to measure fair value, with the highest priority given to inputs that are observable and reflect quoted prices (unadjusted) for identical assets or liabilities in active markets (Level 1), and the lowest priority given to inputs that are unobservable and significant to the fair value measurement (Level 3). The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument. The Company may use valuation techniques consistent with the market and income approaches to measure the fair value of its financial instruments. The market approach uses third-party valuations and information obtained from market transactions involving identical or similar financial instruments. The income approach uses projections of the future economic benefit of an instrument to determine its fair value, such as in the discounted cash flow methodology. The inputs or methodology used for valuing financial instruments are not necessarily an indication of the risk associated with investing in these financial instruments. The leveling of each financial instrument is reassessed at the end of each period. Transfers between levels of the fair value hierarchy are assumed to occur at the end of the reporting period.

Summary Valuation Techniques

For financial instruments that are traded in an "active market," the best measure of fair value is the quoted market price. However, many of the Company's financial instruments are not traded in an active market. Therefore, management generally uses third-party valuations when available. If third-party valuations are not available, management uses other valuation techniques, such as the discounted cash flow methodology. The following are summary descriptions, for various categories of financial instruments, of the valuation methodologies management uses in determining fair value of the Company's financial instruments in such categories. Management utilizes such methodologies to assign a fair value (the estimated price that, in an orderly transaction at the valuation date, would be received to sell an asset, or paid to transfer a liability, as the case may be) to each such financial instrument.

For mortgage-backed securities ("MBS"), forward settling to-be-announced mortgage-backed securities ("TBAs"), CLOs, and corporate debt and equity, management seeks to obtain at least one third-party valuation, and often obtains multiple valuations when available. Management has been able to obtain third-party valuations on the vast majority of these instruments and expects to continue to solicit third-party valuations in the future. Management generally values each financial instrument at the average of third-party valuations received and not rejected as described below. Third-party valuations are not binding, management may adjust the valuations it receives (e.g., downward adjustments for odd lots), and management may challenge or reject a valuation when, based on its validation criteria, management determines that such valuation is unreasonable or erroneous. Furthermore, based on its validation criteria, management may determine that the average of the third-party valuations received for a given financial instrument does not result in what management believes to be the fair value of such instrument, and in such circumstances management may override this average with its own good faith valuation. The validation criteria may take into account output from management's own models, recent trading activity in the same or similar instruments, and valuations received from third parties. The use of proprietary models requires the use of a significant amount of judgment and the application of various assumptions including, but not limited to, assumptions concerning future prepayment rates and

default rates. Given their relatively high level of price transparency, Agency RMBS pass-throughs are typically classified as Level 2. Non-Agency RMBS, CMBS, Agency interest only and inverse interest only RMBS, CLOs, and corporate bonds are generally classified as either Level 2 or Level 3 based on analysis of available market data and/or third-party valuations. The Company's investments in distressed corporate debt can be in the form of loans as well as total return swaps on loans. These investments, as well as related non-listed equity investments, are generally designated as Level 3 assets. Valuations for total return swaps are typically based on prices of the underlying loans received from third-party pricing services. Private equity investments are generally classified as Level 3. Furthermore, the methodology used by the third-party valuation providers is reviewed at least annually by management, so as to ascertain whether such providers are utilizing observable market data to determine the valuations that they provide.

For residential mortgage loans, reverse mortgage loans, commercial mortgage loans, and consumer loans, management determines fair value by taking into account both external pricing data, which includes third-party valuations, and internal pricing models. Management has obtained third-party valuations on the majority of these loans and expects to continue to solicit third-party valuations in the future. In determining fair value for non-performing mortgage loans, management evaluates third-party valuations, if applicable, as well as management's estimates of the value of the underlying real estate, using information including general economic data, broker price opinions ("BPOs"), recent sales, property appraisals, and bids. In determining fair value for performing mortgage loans and consumer loans, management evaluates third-party valuations, if applicable, as well as discounted cash flows of the loans based on market assumptions. Cash flow assumptions typically include projected default and prepayment rates and loss severities, and may include adjustments based on appraisals and BPOs, and in the case of HECM reverse mortgage loans, projected future tail draws. Many adjustable-rate reverse mortgage loans provide the borrower with a line of credit that can be drawn over time, and a "tail draw" is a principal addition that results when a borrower takes such a draw, which may be securitized. Mortgage and consumer loans are classified as Level 3.

The Company has elected the fair value option ("FVO") for its HMBS-related obligations. It determines fair value by taking into account both external pricing data, which includes third-party valuations, and internal pricing models. The estimated fair value of HMBS-related obligations also includes the consideration that would be required by a market participant to transfer the HECM loan net of the related servicing, including exposure resulting from shortfalls in FHA insurance proceeds. HMBS-related obligations, at fair value are classified as Level 3.

The Company has elected the FVO for its MSRs and Forward MSR-related investments. It determines fair value by taking into account both external pricing data, which includes third-party valuations, and internal pricing models. MSRs and Forward MSR-related investments are classified as Level 3.

The Company has securitized certain mortgage loans, including residential mortgage loans that are not deemed "qualified mortgage" loans under the rules of the Consumer Financial Protection Bureau ("non-QM loans"), and proprietary reverse mortgage loans. The Company's securitized loans, which include non-QM loans, certain European residential mortgage loans, and reverse mortgage loans, are held as part of a collateralized financing entity ("CFE"). A CFE is a VIE that holds financial assets, issues beneficial interests in those assets, and has no more than nominal equity, and for which the issued beneficial interests have contractual recourse only to the related assets of the CFE. ASC 810, *Consolidation* ("ASC 810") allows the Company to elect to measure both the financial assets and financial liabilities of the CFE using the more observable of the fair value of the financial assets and the fair value of the financial liabilities of the CFE. The Company has elected the FVO for initial and subsequent recognition of the debt issued by its consolidated securitization trusts and has determined that each consolidated securitization trust meets the definition of a CFE; see Note 13—Securitization Transactions*, —Consolidated Residential Mortgage Loan Securitizations, —Residential Transition Loans, —European Residential Mortgage Loans, and —Proprietary Reverse Mortgage Loan Securitizations* for further discussion on the Company's consolidated securitization trusts. The Company has determined the inputs to the fair value measurement of the financial liabilities of each of its CFEs to be more observable than those of the financial assets and, as a result, has used the fair value of the financial liabilities of each of the CFEs to measure the fair value of the financial assets of each of the CFEs. The fair value of the debt issued by each CFE is typically valued using both external pricing data, which includes third-party valuations, and internal pricing models. The securitized loans, which are assets of the consolidated CFEs, are included in Loans, at fair value, on the Company's Consolidated Balance Sheet. The debt issued by the consolidated CFEs is included in Other secured borrowings, at fair value, on the Company's Consolidated Balance Sheet. Unrealized gains (losses) from changes in fair value of Other secured borrowings, at fair value, are included in Unrealized gains (losses) on other secured borrowings, at fair value, net, on the Company's Consolidated Statement of Operations. The securitized loans and the debt issued by the Company's CFEs are both classified as Level 3.

The Company has elected the FVO for its loan commitments related to reverse mortgage loans, and uses market pricing for instruments with similar characteristics in determining fair value. The valuation process incorporates various inputs, such as an estimate of the fair value of the servicing rights expected to be recorded upon sale of a loan to a third party, estimated cost to originate the loan, and the expected pull-through rate. The Company's loan commitments are classified as Level 3.

The Company has elected the FVO for loan purchase commitments related to certain residential mortgage loans, and uses the agreed-upon loan purchase price with adjustments made for interest rate and credit spread movements in determining fair value. The Company's loan purchase commitments are classified as Level 3.

For financial derivatives with greater price transparency, such as CDS on asset-backed indices, CDS on corporate indices, certain options on the foregoing, and total return swaps on publicly traded equities or indices, market-standard pricing sources are used to obtain valuations; these financial derivatives are generally classified as Level 2. Interest rate swaps, swaptions, and foreign currency forwards are typically valued based on internal models that use observable market data, including applicable interest rates and foreign currency rates in effect as of the measurement date; the model-generated valuations are then typically compared to counterparty valuations for reasonableness. These financial derivatives are also generally classified as Level 2. Financial derivatives with less price transparency, such as CDS on individual ABS, are generally valued based on internal models, and are classified as Level 3. In the case of CDS on individual ABS, the valuation process typically starts with an estimation of the value of the underlying ABS. In valuing its financial derivatives, the Company also considers the creditworthiness of both the Company and its counterparties, along with collateral provisions contained in each financial derivative agreement.

Investments in private operating entities, such as loan originators, are valued based on available metrics, such as relevant market multiples and comparable company valuations, company-specific financial data including actual and projected results, and independent third party valuation estimates. These investments are classified as Level 3.

The Company's repurchase and reverse repurchase agreements are carried at cost, which approximates fair value. Repurchase and reverse repurchase agreements are classified as Level 2, based on the adequacy of the collateral and their short-term nature.

The Company's valuation process, including the application of validation criteria, is directed by the Manager's Valuation Committee (the "Valuation Committee"), and overseen by the Company's audit committee. The Valuation Committee includes senior level executives from various departments within the Manager, and each quarter, the Valuation Committee reviews and approves the valuations of the Company's financial instruments. The valuation process also includes a monthly review by the Company's third-party administrator. The goal of this review is to replicate various aspects of the Company's valuation process based on the Company's documented procedures.

Because of the inherent uncertainty of valuation, the estimated fair value of the Company's financial instruments may differ significantly from the values that would have been used had a ready market for the financial instruments existed, and the differences could be material to the Company's consolidated financial statements.

(C) Accounting for Securities: Purchases and sales of investments in securities are generally recorded on trade date, and realized and unrealized gains and losses are calculated based on identified cost. Investments in securities are recorded in accordance with ASC 320, *Investments—Debt and Equity Securities* ("ASC 320") or ASC 325-40, *Beneficial Interests in Securitized Financial Assets* ("ASC 325-40"). The Company generally classifies its securities as available-for-sale. The Company has chosen to elect the FVO pursuant to ASC 825, *Financial Instruments* ("ASC 825") for its investments in securities. Electing the FVO allows the Company to record changes in fair value in the Consolidated Statement of Operations, as a component of Unrealized gains (losses) on securities and loans, net, which, in management's view, more appropriately reflects the results of operations for a particular reporting period as all securities activities will be recorded in a similar manner.

Many of the Company's investments in securities, such as MBS and CLOs, are issued by entities that are deemed to be VIEs. For the majority of such investments, the Company has determined it is not the primary beneficiary of such VIEs and therefore has not consolidated such VIEs. The Company's maximum risk of loss in these unconsolidated VIEs is generally limited to the fair value of the Company's investment in the VIE.

The Company evaluates its investments in interest only securities to determine whether they meet the requirements for classification as financial derivatives under ASC 815, Derivatives and Hedging ("ASC 815"). For interest only securities, where the holder is entitled only to a portion of the interest payments made on the mortgages underlying certain MBS, and inverse interest only securities, which are interest only securities whose coupon has an inverse relationship to its benchmark rate, such as SOFR, the Company has determined that such investments do not meet the requirements for treatment as financial derivatives and are classified as securities.

The Company applies the principles of ASU 2016-13, *Financial Instruments—Credit Losses* ("ASU 2016-13") and evaluates the cost basis of its investments in securities on at least a quarterly basis, under ASC 326-30, *Financial Instruments—Credit Losses: Available-for-Sale Debt Securities* ("ASC 326-30"). When the fair value of a security is less than its amortized cost basis as of the balance sheet date, the security's cost basis is considered impaired. The Company must evaluate the decline in the fair value of the impaired security and determine whether such decline resulted from a credit loss or non-credit related factors. In its assessment of whether a credit loss exists, the Company compares the present value of estimated future cash flows

of the impaired security with the amortized cost basis of such security. The estimated future cash flows reflect those that a "market participant" would use and typically include assumptions related to fluctuations in interest rates, prepayment speeds, default rates, collateral performance, and the timing and amount of projected credit losses, as well as incorporating observations of current market developments and events. Cash flows are discounted at an interest rate equal to the current yield used to accrete interest income. If the present value of estimated future cash flows is less than the amortized cost basis of the security, an expected credit loss exists and is included in Unrealized gains (losses) on securities and loans, net, on the Consolidated Statement of Operations. If it is determined as of the financial reporting date that all or a portion of a security's cost basis is not collectible, then the Company will recognize a realized loss to the extent of the adjustment to the security's cost basis. This adjustment to the amortized cost basis of the security is reflected in Realized gains (losses) on securities and loans, net, on the Consolidated Statement of Operations.

(D) Accounting for Loans: The Company's loan portfolio primarily consists of residential mortgage, commercial mortgage, consumer, and reverse mortgage loans. The Company's loans are accounted for under ASC 310-10, *Receivables*, and are classified as held-for-investment when the Company has the intent and ability to hold such loans for the foreseeable future or to maturity/payoff. When the Company has the intent to sell loans, such loans will be classified as held-for-sale. Mortgage loans held-for-sale are accounted for under ASC 948-310, *Financial services—mortgage banking.* Transfers between held-for-investment and held-for-sale occur once the Company's intent to sell the loans changes. The Company may aggregate its loans into pools based on common risk characteristics at purchase. The Company has chosen to elect the FVO pursuant to ASC 825 for its loan portfolios. Loans are recorded at fair value on the Consolidated Balance Sheet and changes in fair value are recorded in earnings on the Consolidated Statement of Operations. Changes in fair value on residential mortgage, commercial mortgage, consumer, corporate loans, and proprietary reverse mortgage loans are included as a component of Unrealized gains (losses) on securities and loans, net, on the Consolidated Statement of Operations. Changes in fair value on HECM reverse mortgage loans held-for-investment are included as a component of Net change from HECM reverse mortgage loans, at fair value, on the Consolidated Statement of Operations. The Company generates income from fees on certain loans, generally reverse mortgage and commercial mortgage loans, that it originates and holds for investment, including origination, servicing, and exit fees. Such fee income is recorded when earned and included in Other, net on the Consolidated Statement of Operations.

For residential and commercial mortgage loans, the Company generally accrues interest payments. Such loans are typically moved to non-accrual status if the loan becomes 90 days or more delinquent. Although reverse mortgage loans do not require monthly principal and interest payments, the terms of such loans require the borrower to occupy the property and to stay current on payment of property taxes and homeowners insurance. In the event that the borrower no longer occupies the property due to death or other circumstances or becomes delinquent on their tax or insurance payments, the loan will be classified as inactive. The Company does not accrue interest payments on its consumer loans; interest payments are recorded upon receipt.

The Company evaluates the collectibility of both interest and principal on each of its loan investments and whether the cost basis of the loan is impaired. A loan's cost basis is impaired when, based on current information and market developments, it is probable that the Company will be unable to collect all amounts due according to the existing contractual terms. When a loan's cost basis is impaired, the Company does not record an allowance for loan loss as it elected the FVO on all of its loan investments.

Consistent with the Company's application of the principles of ASU 2016-13, in its assessment of whether a credit loss exists, the Company compares the present value of the amount expected to be collected on the impaired loan with the amortized cost basis of such loan. If the present value of the amount expected to be collected on the impaired loan is less than the amortized cost basis of such loan, an expected credit loss exists and is included in Unrealized gains (losses) on securities and loans, net, on the Consolidated Statement of Operations. If it is determined as of the financial reporting date that all or a portion of a loan's cost basis is not collectible, then the Company will recognize a realized loss to the extent of the adjustment to the loan's cost basis. This adjustment to the amortized cost basis of the loan is reflected in Realized gains (losses) on securities and loans, net, on the Consolidated Statement of Operations.

(E) Interest Income: The Company generally amortizes premiums and accretes discounts on its debt securities. Coupon interest income on fixed-income investments is generally accrued based on the outstanding principal balance or notional value and the current coupon rate.

For debt securities that are deemed to be of high credit quality at the time of purchase (generally Agency RMBS, exclusive of interest only securities), premiums and discounts are amortized/accreted into interest income over the life of such securities using the effective interest method. For such securities whose cash flows vary depending on prepayments, an effective yield retroactive to the time of purchase is periodically recomputed based on actual prepayments and changes in projected prepayment activity, and a catch-up adjustment ("Catch-up Amortization Adjustment") is made to amortization to reflect the cumulative impact of the change in effective yield.

For debt securities (generally non-Agency RMBS, CMBS, ABS, CLOs, and interest only securities) that are deemed not to be of high credit quality at the time of purchase, interest income is recognized based on the effective interest method. For purposes of estimating future expected cash flows, management uses assumptions including, but not limited to, assumptions for future prepayment rates, default rates, and loss severities (each of which may in turn incorporate various macro-economic assumptions, such as future housing prices, GDP growth rates, and unemployment rates). These assumptions are re-evaluated not less than quarterly. Changes in projected cash flows may result in prospective changes in the yield/interest income recognized on such securities based on the updated expected future cash flows.

For each loan (including residential, commercial, and proprietary reverse mortgage loans and consumer loans) purchased with the expectation that both interest and principal will be paid in full, the Company generally amortizes or accretes any premium or discount over the life of the loan utilizing the effective interest method. However, based on current information and market developments, the Company re-assesses the collectibility of interest and principal, and generally designates a loan as in non-accrual status either when any payments have become 90 or more days past due, or when, in the opinion of management, it is probable that the Company will be unable to collect either interest or principal in full. Once a loan is designated as in non-accrual status, as long as principal is still expected to be collectible in full, interest payments are recorded as interest income only when received (i.e., under the cash basis method); accruals of interest income are only resumed when the loan becomes contractually current and performance is demonstrated to be resumed. However, if principal is not expected to be collectible in full, the cost recovery method is used (i.e., no interest income is recognized, and all payments received—whether contractually interest or principal—are applied to cost).

Interest income on HECM reverse mortgage loans held-for-investment is recognized based on the stated rate of the loan. Such interest income is included on the Consolidated Statement of Operations as a component of Net change from HECM reverse mortgage loans, at fair value.

For Forward MSR-related investments, the Company recognizes interest income based on the effective interest method. For purposes of estimating future expected cash flows, management uses various assumptions about the mortgage loans underlying the MSRs, including but not limited to the timing and amount of prepayments. These assumptions are re-evaluated at least quarterly. Changes in projected cash flows may result in prospective changes in the yield/interest income recognized on such investments based on the updated expected future cash flows. Interest income on Forward MSR-related investments is included on the Consolidated Statement of Operations as a component of Interest income.

Certain of the Company's debt securities and loans, at the date of acquisition, have experienced or are expected to experience more-than-insignificant deterioration in credit quality since origination. Consistent with the Company's application of the principles of ASU 2016-13, if at the date of acquisition for a particular asset the Company projects a significant difference between contractual cash flows and expected cash flows, it establishes an initial estimate for credit losses as an upward adjustment to the acquisition cost of the asset for the purpose of calculating interest income using the effective yield method.

In estimating future cash flows on the Company's debt securities, there are a number of assumptions that are subject to significant uncertainties and contingencies, including, in the case of MBS, assumptions relating to prepayment rates, default rates, loan loss severities, and loan repurchases. These estimates require the use of a significant amount of judgment.

(F) Mortgage Servicing Rights: MSRs represent contractual rights to perform specific administrative functions for the underlying loans including specified mortgage servicing activities, which include collecting loan payments, remitting principal and interest payments, managing escrow accounts for mortgage-related expenses such as taxes and insurance, and various other administrative tasks required to adequately service the mortgage loan portfolio. MSRs are created when the Company sells originated or purchased reverse mortgage loans but retains the servicing rights; MSRs can also be acquired in the secondary market. The Company has elected the FVO for its MSRs in accordance with ASC 860-50, *Transfers and Servicing—Servicing assets and liabilities* ("ASC 860-50"). Under this methodology, the Company fair values its MSRs on a recurring basis with changes in fair value recorded through earnings on the Consolidated Statement of Operations in Other, net. The Company accrues a base servicing fee for each serviced loan, typically based on the remaining outstanding principal balance of the loan and a fixed annual percentage fee, which is included in Other, net on the Consolidated Statement of Operations. Costs of servicing and ancillary fees are recognized as incurred or earned, and are included in Servicing expense on the Consolidated Statement of Operations.

(G) Loan Commitments: The Company's loan commitments relate to certain reverse mortgage loans extended to borrowers and other third parties. The Company has elected the FVO for its loan commitments which are included in Loan commitments, at fair value on the Consolidated Balance Sheet. Changes in the fair value of the Company's loan commitments are included in Other, net on the Consolidated Statement of Operations.

(H) Loan Purchase Commitments: The Company's loan purchase commitments relate to commitments to purchase certain residential mortgage loans originated by third parties. The Company has elected the FVO for certain of its loan purchase commitments which are included in Other assets or Accrued expenses and other liabilities on the Consolidated Balance Sheet. Changes in the fair value of such loan purchase commitments are included in Other, net on the Consolidated Statement of Operations.

(I) Investments in unconsolidated entities: The Company has made and may in the future make non-controlling equity investments in various entities, such as loan originators. Such investments are generally in the form of preferred and/or common equity, or membership interests. In certain cases, the Company can exercise significant influence over the entity (e.g., by having representation on the entity's board of directors) but the requirements for consolidation under ASC 810 are not met; in such cases the Company is required to account for such equity investments under ASC 323-10, *Investments—Equity Method and Joint Ventures* ("ASC 323-10"). The Company has chosen to elect the FVO pursuant to ASC 825 for its investments in unconsolidated entities, which, in management's view, more appropriately reflects the results of operations for a particular reporting period, as all investment activities will be recorded in a similar manner. The period change in fair value of the Company's investments in unconsolidated entities is recorded on the Consolidated Statement of Operations in Earnings (losses) from investments in unconsolidated entities.

(J) Real Estate Owned ("REO"): When the Company obtains possession of real property in connection with a foreclosure or similar action, the Company de-recognizes the associated mortgage loan according to ASU 2014-04, *Reclassification of Residential Real Estate Collateralized Consumer Mortgage Loans upon Foreclosure* ("ASU 2014-04"). Under the provisions of ASU 2014-04, the Company is deemed to have received physical possession of real estate property collateralizing a mortgage loan when it obtains legal title to the property upon completion of a foreclosure or when the borrower conveys all interest in the property to it through a deed in lieu of foreclosure or similar legal agreement. The Company's initial cost basis in REO is equal to the fair value of the real estate associated with the foreclosed mortgage loan, less expected costs to sell. REO valuations are reflected at the lower of cost or fair value. The fair value of such REO is typically based on management's estimates which generally use information including general economic data, BPOs, recent sales, property appraisals, and bids, and takes into account the expected costs to sell the property.

(K) Securities Sold Short: The Company may purchase or engage in short sales of U.S. Treasury securities and sovereign debt to mitigate the potential impact of changes in interest rates and/or foreign exchange rates on the performance of its portfolio. When the Company sells securities short, it typically satisfies its security delivery settlement obligation by borrowing or purchasing the security sold short from the same or a different counterparty. When borrowing a security sold short from a counterparty, the Company generally is required to deliver cash or securities to such counterparty as collateral for the Company's obligation to return the borrowed security. The Company has chosen to elect the FVO pursuant to ASC 825 for its securities sold short. Electing the FVO allows the Company to record changes in fair value in the Consolidated Statement of Operations, which, in management's view, more appropriately reflects the results of operations for a particular reporting period as all securities activities will be recorded in a similar manner. As such, securities sold short are recorded at fair value on the Consolidated Balance Sheet and the period change in fair value is recorded in current period earnings on the Consolidated Statement of Operations as a component of Unrealized gains (losses) on securities and loans, net. A realized gain or loss will be recognized upon the termination of a short sale if the market price is less or greater than the original sale price. Such realized gain or loss is recorded on the Company's Consolidated Statement of Operations in Realized gains (losses) on securities and loans, net.

(L) Financial Derivatives: The Company enters into various types of financial derivatives subject to its investment guidelines, which include restrictions associated with maintaining qualification as a REIT. The Company's financial derivatives are predominantly subject to bilateral master trade agreements or clearing in accordance with the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"). The Company may be required to deliver or receive cash or securities as collateral upon entering into derivative transactions. In addition, changes in the value of derivative transactions may require the Company or the counterparty to post or receive additional collateral. In the case of cleared derivatives, the clearinghouse becomes the Company's counterparty and a futures commission merchant acts as an intermediary between the Company and the clearinghouse with respect to all facets of the related transaction, including the posting and receipt of required collateral. Cash collateral received by the Company is included in Due to brokers, on the Consolidated Balance Sheet. Conversely, cash collateral posted by the Company is included in Due from brokers, on the Consolidated Balance Sheet. The types of derivatives primarily utilized by the Company are swaps, TBAs, futures, options, and forwards.

Swaps: The Company may enter into various types of swaps, including interest rate swaps, credit default swaps, and total return swaps. The primary risk associated with the Company's interest rate swap activity is interest rate risk. The primary risk associated with the Company's credit default swaps and total return swaps is credit risk.

The Company is subject to interest rate risk exposure in the normal course of pursuing its investment objectives. Primarily to help mitigate interest rate risk, the Company enters into interest rate swaps. Interest rate swaps are contractual

agreements whereby one party pays a floating interest rate on a notional principal amount and receives a fixed-rate payment on the same notional principal, or vice versa, for a fixed period of time. Interest rate swaps change in value with movements in interest rates. The Company also enters into interest rate swaps whereby the Company pays one floating rate and receives a different floating rate ("basis swaps").

The Company enters into credit default swaps. A credit default swap is a contract under which one party agrees to compensate another party for the financial loss associated with the occurrence of a "credit event" in relation to a "reference amount" or notional value of a "reference asset" (usually a bond or an index or basket of bonds). The definition of a credit event may vary from contract to contract. A credit event may occur (i) when the reference asset (or underlying asset, in the case of a reference asset that is an index or basket) fails to make scheduled principal or interest payments to its holders, (ii) with respect to credit default swaps referencing mortgage/asset-backed securities and indices, when the reference asset (or underlying asset, in the case of a reference asset that is an index or basket) is downgraded below a certain rating level, or (iii) with respect to credit default swaps referencing corporate entities and indices, upon the bankruptcy of the obligor of the reference asset (or underlying obligor, in the case of a reference asset that is an index). The Company typically writes (sells) protection to take a "long" position with respect to the underlying reference assets, or purchases (buys) protection to take a "short" position with respect to the underlying reference assets or to hedge exposure to other investment holdings.

The Company enters into total return swaps in order to take a "long" or "short" position with respect to an underlying reference asset. The Company is subject to market price volatility of the underlying reference asset. A total return swap involves commitments to pay interest in exchange for a market-linked return based on a notional value. To the extent that the total return of the corporate debt, security, group of securities or index underlying the transaction exceeds or falls short of the offsetting interest obligation, the Company will receive a payment from or make a payment to the counterparty.

Swaps change in value with movements in interest rates, credit quality, or total return of the reference securities. During the term of swap contracts, changes in value are recognized as unrealized gains or losses on the Consolidated Statement of Operations. When a contract is terminated, the Company realizes a gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Company's basis in the contract, if any. Periodic payments or receipts required by swap agreements are recorded as unrealized gains or losses when accrued and realized gains or losses when received or paid. Upfront payments paid and/or received by the Company to open swap contracts are recorded as an asset and/or liability on the Consolidated Balance Sheet and are recorded as a realized gain or loss on the termination date.

TBA Securities: The Company transacts in the forward settling TBA market. A TBA position is a forward contract for the purchase ("long position") or sale ("short position") of Agency RMBS at a predetermined price, face amount, issuer, coupon, and maturity on an agreed-upon future delivery date. For each TBA contract and delivery month, a uniform settlement date for all market participants is determined by the Securities Industry and Financial Markets Association. The specific Agency RMBS to be delivered into the contract at the settlement date are not known at the time of the transaction. The Company usually does not take delivery of TBAs, but rather enters into offsetting transactions and settles the associated receivable and payable balances with its counterparties. The Company uses TBAs to mitigate interest rate risk, usually by taking short positions. The Company also invests in TBAs as a means of acquiring additional exposure to Agency RMBS, or for speculative purposes, including holding long positions.

TBAs are accounted for by the Company as financial derivatives. The difference between the forward contract price and the market value of the TBA position as of the reporting date is included in Unrealized gains (losses) on financial derivatives, net, on the Consolidated Statement of Operations.

Futures Contracts: A futures contract is an exchange-traded agreement to buy or sell an asset for a set price on a future date. The Company enters into Eurodollar and/or U.S. Treasury security futures contracts to hedge its interest rate risk. The Company may also enter into various other futures contracts, including equity index futures and foreign currency futures. Initial margin deposits are made upon entering into futures contracts and can generally be either in the form of cash or securities. During the period the futures contract is open, changes in the value of the contract are recognized as unrealized gains or losses by marking-to-market to reflect the current market value of the contract. Variation margin payments are made or received periodically, depending upon whether unrealized losses or gains are incurred. When the contract is closed, the Company records a realized gain or loss equal to the difference between the proceeds of the closing transaction and the Company's basis in the contract.

Options: The Company may purchase or write put or call options contracts or enter into swaptions. The Company enters into options contracts typically to help mitigate overall market, credit, or interest rate risk depending on the type of options contract. However, the Company also enters into options contracts from time to time for speculative purposes. When the Company purchases an options contract, the option asset is initially recorded at an amount equal to the premium paid, if any, and is subsequently marked-to-market. Premiums paid for purchasing options contracts that expire unexercised are recognized on the expiration date as realized losses. If an options contract is exercised, the premium paid is subtracted from the proceeds of

the sale or added to the cost of the purchase to determine whether the Company has realized a gain or loss on the related transaction. When the Company writes an options contract, the option liability is initially recorded at an amount equal to the premium received, if any, and is subsequently marked-to-market. Premiums received for writing options contracts that expire unexercised are recognized on the expiration date as realized gains. If an options contract is exercised, the premium received is subtracted from the cost of the purchase or added to the proceeds of the sale to determine whether the Company has realized a gain or loss on the related investment transaction. When the Company enters into a closing transaction, the Company will realize a gain or loss depending upon whether the amount from the closing transaction is greater or less than the premiums paid or received. The Company may also enter into options contracts that contain forward-settling premiums. In this case, no money is exchanged upfront. Instead, the agreed-upon premium is paid by the buyer upon expiration of the option, regardless of whether or not the option is exercised.

Forward Currency Contracts: A forward currency contract is an agreement between two parties to purchase or sell a specific quantity of currency with the delivery and settlement at a specific future date and exchange rate. During the period the forward currency contract is open, changes in the value of the contract are recognized as unrealized gains or losses. When the contract is settled, the Company records a realized gain or loss equal to the difference between the proceeds of the closing transaction and the Company's basis in the contract.

Financial derivative assets are included in Financial derivatives—assets, at fair value, on the Consolidated Balance Sheet. Financial derivative liabilities are included in Financial derivatives—liabilities, at fair value, on the Consolidated Balance Sheet. The Company has chosen to elect the FVO pursuant to ASC 825 for its financial derivatives. Electing the FVO allows the Company to record changes in fair value in the Consolidated Statement of Operations, which, in management's view, more appropriately reflects the results of operations for a particular reporting period as all investment activities will be recorded in a similar manner. Changes in unrealized gains and losses on financial derivatives are included in Unrealized gains (losses) on financial derivatives, net, on the Consolidated Statement of Operations. Realized gains and losses on financial derivatives are included in Realized gains (losses) on financial derivatives, net, on the Consolidated Statement of Operations.

(M) Intangible Assets: The Company has acquired intangible assets including internally developed software, trademarks, and customer relationships. Intangible assets are amortized over their expected useful lives on a straight-line basis. See Note 11 for additional details on the Company's intangible assets.

(N) Cash and Cash Equivalents: Cash and cash equivalents include cash and short-term investments with original maturities of three months or less at the date of acquisition. Cash and cash equivalents typically include amounts held in interest bearing overnight accounts and amounts held in money market funds, and these balances generally exceed insured limits. The Company holds its cash at institutions that it believes to be highly creditworthy. Restricted cash represents cash that the Company can use only for specific purposes.

(O) Repurchase Agreements: The Company enters into repurchase agreements with third-party broker-dealers whereby it sells securities under agreements to be repurchased at an agreed-upon price and date. The Company accounts for repurchase agreements as collateralized borrowings, with the initial sale price representing the amount borrowed, and with the future repurchase price consisting of the amount borrowed plus interest, at the implied interest rate of the repurchase agreement, on the amount borrowed over the term of the repurchase agreement. The interest rate on a repurchase agreement is based on competitive rates (or competitive market spreads, in the case of agreements with floating interest rates) at the time such agreement is entered into. When the Company enters into a repurchase agreement, the lender establishes and maintains an account containing cash and/or securities having a value not less than the repurchase price, including accrued interest, of the repurchase agreement. Repurchase agreements are carried at their contractual amounts, which approximate fair value as the debt is short-term in nature.

(P) Reverse Repurchase Agreements: The Company enters into reverse repurchase agreement transactions whereby it purchases securities under agreements to resell at an agreed-upon price and date. In general, securities received pursuant to reverse repurchase agreements are delivered to counterparties of short sale transactions. The interest rate on a reverse repurchase agreement is based on competitive rates (or competitive market spreads, in the case of agreements with floating interest rates) at the time such agreement is entered into. Assets held pursuant to reverse repurchase agreements are reflected as assets on the Consolidated Balance Sheet. Reverse repurchase agreements are carried at their contractual amounts, which approximate fair value due to their short-term nature.

Repurchase and reverse repurchase agreements that are conducted with the same counterparty may be reported on a net basis if they meet the requirements of ASC 210-20, *Balance Sheet Offsetting*. There are no repurchase and reverse repurchase agreements reported on a net basis in the Company's consolidated financial statements.

(Q) Transfers of Financial Assets: The Company enters into transactions whereby it transfers financial assets to third parties. Upon such a transfer of financial assets, the Company will sometimes retain or acquire interests in the related assets.

The Company evaluates transferred assets pursuant to ASC 860-10, *Transfers of Financial Assets* ("ASC 860-10") which requires that a determination be made as to whether a transferor has surrendered control over transferred financial assets. That determination must consider the transferor's continuing involvement in the transferred financial asset, including all arrangements or agreements made contemporaneously with, or in contemplation of, the transfer, even if they were not entered into at the time of the transfer. When a transfer of financial assets does not qualify as a sale, ASC 860-10 requires the transfer to be accounted for as a secured borrowing with a pledge of collateral. ASC 860-10 is a standard that requires the Company to exercise significant judgment in determining whether a transaction should be recorded as a "sale" or a "financing."

(R) Variable Interest Entities: VIEs are entities in which: (i) the equity investors do not have the characteristics of a controlling financial interest, or (ii) there is insufficient equity to permit the entity to finance its activities without additional subordinated financial support from other parties. Consolidation of a VIE is required by the entity that is deemed to be the primary beneficiary of the VIE. The Company evaluates all of its interests in VIEs for consolidation under ASC 810. The primary beneficiary is generally the party with both (i) the power to direct the activities of the VIE that most significantly impact its economic performance, and (ii) the obligation to absorb losses and the right to receive benefits from the VIE which could be potentially significant to the VIE.

When the Company has an interest in an entity that has been determined to be a VIE, the Company assesses whether it is deemed to be the primary beneficiary of the VIE. The Company will only consolidate a VIE for which it has concluded it is the primary beneficiary. To assess whether the Company has the power to direct the activities of a VIE that most significantly impact the VIE's economic performance, the Company considers all facts and circumstances, including its role in establishing the VIE and its ongoing rights and responsibilities. This assessment includes (i) identifying the activities that most significantly impact the VIE's economic performance; and (ii) identifying which party, if any, has power over those activities. To assess whether the Company has the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE, it considers all of its economic interests, including debt and/or equity investments, as well as other arrangements deemed to be variable interests in the VIE. These assessments to determine whether the Company is the primary beneficiary require significant judgment. In instances where the Company and its related parties have interests in a VIE, the Company considers whether there is a single party in the related party group that meets the criteria to be deemed the primary beneficiary. If one party within the related party group meets such criteria, that reporting entity would be deemed to be the primary beneficiary of the VIE and no further analysis is needed. If no party within the related party group on its own meets the criteria to be deemed the primary beneficiary, but the related party group as a whole meets such criteria, the determination of the primary beneficiary within the related party group requires significant judgment. The Company performs analysis, which is based upon qualitative as well as quantitative factors, such as the relationship of the VIE to each of the members of the related party group, as well as the significance of the VIE's activities to those members, with the objective of determining which party is most closely associated with the VIE.

The Company performs ongoing reassessments of (i) whether any entities previously evaluated have become VIEs, based on certain events, and therefore subject to assessment to determine whether consolidation is appropriate, and (ii) whether changes in the facts and circumstances regarding the Company's involvement with a VIE causes its consolidation conclusion regarding the VIE to change. See Note 12, Note 13, and Note 16 for further information on the Company's investments in VIEs.

The Company's maximum amount at risk is generally limited to the Company's investment in the VIE.

The Company holds beneficial interests in certain securitization trusts that are considered VIEs. The beneficial interests in these securitization trusts are represented by certificates issued by the trusts. The securitization trusts have been structured as pass-through entities that receive principal and interest payments on the underlying collateral and distribute those payments to the certificate holders, which include both third-party investors and the Company. The certificates held by the Company typically include some or all of the most subordinated tranches. The assets held by the trusts are restricted in that they can only be used to fulfill the obligations of the related trust. In certain cases, the design and structure of the securitization trust is such that the Company effectively retains control of the assets as well as the activities that most significantly impact the economic performance of the trust. In such cases, the Company is determined to be the primary beneficiary, and the Company consolidates the trust and all intercompany transactions are eliminated in consolidation. In cases where the Company does not effectively retain control of the assets of, or have the power to direct the activities that most significantly impact the economic performance of, the related trust, it does not consolidate the trust. See Note 13 for further discussion of the Company's securitization trusts.

(S) Offering Costs/Underwriters' Discount: Offering costs and underwriters' discount are generally charged against stockholders' equity upon the completion of a capital raise. Offering costs typically include legal, accounting, and other fees associated with the cost of raising capital.

(T) Debt Issuance Costs: Debt issuance costs associated with debt for which the Company has elected the FVO are expensed at the issuance of the debt, and are included in Investment and transaction related expenses—Other on the

Consolidated Statement of Operations. Costs associated with the issuance of debt for which the Company has not elected the FVO are deferred and amortized over the life of the debt, which approximates the effective interest rate method, and are included in Interest expense on the Consolidated Statement of Operations. Deferred debt issuance costs are presented on the Consolidated Balance Sheet as a direct deduction from the related debt liability, unless such deferred debt issuance costs are associated with borrowing facilities that are expected to have a future benefit, such as giving the Company the ability to access additional borrowings over the contractual term of the debt, in which case such deferred debt issuance costs are included in Other assets on the Consolidated Balance Sheet. Debt issuance costs include legal and accounting fees, purchasers' or underwriters' discount, as well as other fees associated with the cost of the issuance of the related debt.

(U) Expenses: Expenses are recognized as incurred on the Consolidated Statement of Operations.

(V) Leases: The Company accounts for its leases under ASC 842, *Leases* ("ASC 842") using a right-of-use ("ROU") model, which recognizes that, at the date of commencement, a lessee has a financial obligation to make lease payments to the lessor for the right to use the underlying asset during the lease term. For each lease with a term greater than one year, the Company recognizes a ROU asset as well as a lease liability, which is included in Other assets and Accrued expenses and other liabilities, respectively, on the Consolidated Balance Sheet.

Operating lease liabilities and their corresponding ROU assets are recorded based on the present value of lease payments over the expected remaining lease term. The interest rate implicit in lease contracts is typically not readily determinable, and as a result, the Company utilizes an incremental borrowing rate, which reflects the fixed rate at which the Company could borrow on a collateralized basis the amount of the lease payments for a similar term. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

(W) Investment and Transaction Related Expenses: Investment and transaction related expenses consist of expenses directly related to specific financial instruments. Such expenses generally include servicing fees and corporate and escrow advances on mortgage and consumer loans, loan origination fees, and various other expenses and fees related directly to the Company's financial instruments. The Company has elected the FVO for its investments, and as a result all investment and transaction related expenses are expensed as incurred and included in Investment and transaction related expenses on the Consolidated Statement of Operations.

(X) Investment Related Receivables: Investment related receivables on the Company's Consolidated Balance Sheet includes receivables for securities sold and interest and principal receivable on securities and loans.

(Y) Share Based Compensation: The Company applies the provisions of ASC 718, *Compensation—Stock Compensation* ("ASC 718"), with regard to its equity incentive plans. ASC 718 covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. ASC 718 requires that compensation cost relating to share-based payment transactions be recognized in the financial statements. The cost is measured based on the fair value, at the grant date, of the equity or liability instruments issued and is amortized over the vesting period.

Long term incentive plan units of the Operating Partnership ("OP LTIP Units") have been issued to certain Ellington and Longbridge personnel dedicated or partially dedicated to the Company, certain of the Company's directors, as well as the Manager. Additionally, the Company has issued restricted shares of common stock to certain of its directors. Costs associated with OP LTIP Units and restricted shares of common stock ("Restricted Shares") issued to dedicated or partially dedicated personnel, or to the Company's directors, are measured as of the grant date based on the Company's closing stock price on the New York Stock Exchange and are amortized over the vesting period in accordance with ASC 718-10, *Compensation—Stock Compensation*. The vesting periods for OP LTIP Units and Restricted Shares are typically one year from issuance for non-executive directors, and are typically one year to two years from issuance for dedicated or partially dedicated personnel. Forfeited shares decrease the total number of shares issued and outstanding and are immediately retired upon settlement.

(Z) Non-controlling interests: Non-controlling interests include interests in the Operating Partnership represented by units convertible into shares of the Company's common stock ("Convertible Non-controlling Interests"). Convertible Non-controlling Interests include both the OP LTIP Units and those common units ("OP Units") of the Operating Partnership not held by the Company (collectively, the "Convertible Non-controlling Interest Units"). Non-controlling interests also include the interests of joint venture partners in certain of the Company's consolidated subsidiaries. The joint venture partners' interests are not convertible into shares of the Company's common stock. The Company adjusts the Convertible Non-controlling Interests to align their carrying value with their share of total outstanding Operating Partnership units, including both the OP Units held by the Company and the Convertible Non-controlling Interests. Any such adjustments are reflected in Adjustment to non-controlling interests, on the Consolidated Statement of Changes in Equity. See Note 18 for further discussion of non-controlling interests.

(AA) Dividends: Dividends payable on shares of common stock and Convertible Non-controlling Interest Units are recorded on the declaration date. Dividends on shares of preferred stock are accrued daily based on contractual rates.

(AB) Shares Repurchased: Shares of common stock that are repurchased by the Company subsequent to issuance are immediately retired upon settlement and decrease the total number of shares of common stock issued and outstanding. The cost of such repurchases is charged against Additional paid-in-capital on the Company's Consolidated Balance Sheet.

(AC) Earnings Per Share ("EPS"): Basic EPS is computed using the two class method by dividing net income (loss) after adjusting for the impact of Convertible Non-controlling Interests which are participating securities, by the weighted average number of shares of common stock outstanding calculated including Convertible Non-controlling Interests. Because the Company's Convertible Non-controlling Interests are participating securities, they are included in the calculation of both basic and diluted EPS.

(AD) Foreign Currency: The functional currency of the Company is U.S. dollars. Assets and liabilities denominated in foreign currencies are remeasured into U.S. dollars at current exchange rates at the following dates: (i) assets, liabilities, and unrealized gains/losses—at the valuation date; and (ii) income, expenses, and realized gains/losses—at the accrual/transaction date. The Company isolates the portion of realized and change in unrealized gain (loss) resulting from changes in foreign currency exchange rates on investments and financial derivatives from the fluctuations arising from changes in fair value of investments and financial derivatives held. Changes in realized and change in unrealized gain (loss) due to foreign currency are included in Other, net, on the Consolidated Statement of Operations.

The Company's reporting currency is U.S. Dollars. If the Company has investments in unconsolidated entities that have a functional currency other than U.S. Dollars, the fair value is translated to U.S. dollars using the current exchange rate at the valuation date. The cumulative remeasurement adjustment, if any, associated with the Company's investments in unconsolidated entities is recorded in accumulated other comprehensive income (loss), a component of consolidated stockholders' equity.

(AE) Income Taxes: The Company has elected to be taxed as a REIT under Sections 856 through 860 of the Code. As a REIT, the Company is generally not subject to federal and state income tax to the extent it distributes its taxable income to its stockholders within the prescribed timeframes. To qualify as a REIT, the Company must meet a number of organizational and operational requirements, including distributing at least 90% of its annual taxable income to stockholders. Even if the Company qualifies as a REIT, it may be subject to certain federal, state, local, and foreign taxes on its income and property. If the Company fails to qualify as a REIT, and does not qualify for certain statutory relief provisions, it will be subject to U.S. federal, state, and local income taxes and may be precluded from qualifying as a REIT for the four taxable years following the year in which the Company fails to qualify as a REIT.

As a REIT, if the Company fails to distribute in any calendar year (subject to specific timing rules for deficiency dividends) at least the sum of (i) 85% of its ordinary income for such year, (ii) 95% of its capital gain net income for such year, and (iii) any undistributed taxable income from the prior year, the Company would be subject to a non-deductible 4% federal excise tax on the excess of such required distribution over the sum of (i) the amounts actually distributed and (ii) the amounts of income retained and on which the Company has paid corporate income tax.

The Company elected to treat certain domestic and foreign subsidiaries as taxable REIT subsidiaries (or "TRSs"), and may elect to treat other current or future subsidiaries as TRSs. In general, a TRS may hold assets and engage in any real estate or non-real estate-related activities that the Company cannot hold or engage in directly. A domestic TRS may, but is not required to, declare dividends to the Company; such dividends will be included in the Company's taxable income/(loss) and may necessitate a distribution to the Company's stockholders. Conversely, if the Company retains earnings at the level of a domestic TRS, such earnings will increase the book equity of the consolidated entity. A domestic TRS is subject to U.S. federal, state, and local corporate income taxes. The Company has elected and may elect in the future to treat certain of its foreign corporate subsidiaries as TRSs and, accordingly, taxable income generated by these TRSs may not be subject to U.S. federal, state, and local corporate income taxation, but generally will be included in the Company's income on a current basis as Subpart F income, whether or not distributed. The Company's foreign subsidiaries may be subject to income taxes in their relevant foreign jurisdictions. The Company's financial results are generally not expected to reflect provisions for current or deferred income taxes, except for any activities conducted through one or more TRSs that are subject to corporate income taxation.

The Company follows the authoritative guidance on accounting for and disclosure of uncertainty on tax positions, which requires management to determine whether a tax position of the Company is more likely than not to be sustained upon examination by the applicable taxing authority, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For uncertain tax positions, the tax benefit to be recognized is measured as the largest amount of benefit that is more than 50% likely to be realized upon ultimate settlement. The Company did not have any unrecognized tax benefits resulting from tax positions related to the current period, or its open tax years (2022, 2023, 2024, and 2025). In the

normal course of business, the Company may be subject to examination by federal, state, local, and foreign jurisdictions, where applicable, for the current period and its open tax years. The Company may take positions with respect to certain tax issues which depend on legal interpretation of facts or applicable tax regulations. Should the relevant tax regulators successfully challenge any of such positions, the Company might be found to have a tax liability that has not been recorded in the accompanying consolidated financial statements. Also, management's conclusions regarding the authoritative guidance may be subject to review and adjustment at a later date based on changing tax laws, regulations, and interpretations thereof. The Company recognizes interest and penalties, if any, related to uncertain tax positions, as income tax expense included in Income tax expense (benefit) on the Consolidated Statement of Operations.

(AF) Business Combinations: In accordance with ASC 805, *Business Combinations* ("ASC 805"), the Company applies the acquisition method to transactions in which it obtains control over one or more other businesses. Assets acquired and liabilities assumed are measured at fair value as of the acquisition date. Goodwill is recognized if the consideration transferred exceeds the fair value of the net assets acquired. Alternatively, a bargain purchase gain is recognized if the fair value of the net assets acquired exceeds the consideration transferred.

(AG) Recent Accounting Pronouncements: In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses ("*ASU 2024-03"). ASU 2024-03 requires public entities to provide tabular disclosure of certain expenses including, employee compensation, depreciation, intangible asset amortization, on an interim and annual basis, in the notes to the financial statements. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim periods in fiscal years beginning after December 15, 2027, with early adoption permitted. ASU 2024-03 should be applied either on a prospective basis to financial statements issued for reporting periods after the effective date of ASU 2024-03 or retrospectively to any or all prior periods presented in the financial statements. ASU 2024-03 is not expected to have a material impact on the Company's consolidated financial statements.

3. Valuation

The tables below reflect the value of the Company's Level 1, Level 2, and Level 3 financial instruments that are measured at fair value on a recurring basis as of September 30, 2026 and December 31, 2025:

September 30, 2026:

Description	Level 1	Level 2	Level 3	Total
		(In thousands)		
Assets:				
Securities, at fair value:				
Agency RMBS	$ —	$ 178,748	$ 11,209	$ 189,957
Non-Agency RMBS	—	149,555	455,781	605,336
CMBS	—	8,362	8,475	16,837
CLOs	—	54,107	53,736	107,843
Asset-backed securities, backed by consumer loans	—	—	51,308	51,308
Other ABS	—	—	112,910	112,910
Corporate debt securities	—	—	26,265	26,265
Corporate equity securities	165	—	14,899	15,064
U.S. Treasury securities	—	99,966	—	99,966
Loans, at fair value:				
Residential mortgage loans	—	—	3,579,855	3,579,855
Commercial mortgage loans	—	—	746,019	746,019
Consumer loans	—	—	82	82
Corporate loans	—	—	48,641	48,641
Reverse mortgage loans	—	—	14,128,260	14,128,260
Forward MSR-related investments, at fair value			74,379	74,379
MSRs, at fair value	—	—	30,289	30,289
Loan commitments, at fair value	—	—	9,734	9,734
Investment in unconsolidated entities, at fair value	—	—	384,570	384,570
Financial derivatives–assets, at fair value:				
Credit default swaps on asset-backed indices	—	1,327	—	1,327
Credit default swaps on corporate bond indices	—	21,467	—	21,467
Interest rate swaps	—	299,253	—	299,253
TBAs	—	10,014	—	10,014
Futures	6,474	—	—	6,474
Forwards	—	750	—	750
Total return swaps	—	—	101	101
Options	7,175	—	—	7,175
Warrants	—	1	—	1
Total assets, at fair value	$ 13,814	$ 823,550	$ 19,736,513	$ 20,573,877

Description	Level 1	Level 2	Level 3	Total
(continued)		*(In thousands)*		
Liabilities:				
Securities sold short, at fair value:				
Government debt	$ —	$ (258,776)	$ —	$ (258,776)
Financial derivatives–liabilities, at fair value:				
Credit default swaps on asset-backed securities	—	—	(2)	(2)
Credit default swaps on corporate bonds	—	(87)	—	(87)
Credit default swaps on corporate bond indices	—	(19,313)	—	(19,313)
Interest rate swaps	—	(174,142)	—	(174,142)
TBAs	—	(1,205)	—	(1,205)
Options	(570)	—	—	(570)
Loan purchase commitments, at fair value	—	—	(10,152)	(10,152)
Other secured borrowings, at fair value	—	—	(3,273,346)	(3,273,346)
HMBS-related obligations, at fair value	—	—	(11,294,032)	(11,294,032)
Unsecured borrowings, at fair value	—	—	(759,127)	(759,127)
Total liabilities, at fair value	$ (570)	$ (453,523)	$ (15,336,659)	$ (15,790,752)

December 31, 2025:

Description	Level 1	Level 2	Level 3	Total
		(In thousands)		
Assets:				
Securities, at fair value:				
Agency RMBS	$ —	$ 205,789	$ 12,578	$ 218,367
Non-Agency RMBS	—	185,805	267,747	453,552
CMBS	—	13,615	12,935	26,550
CLOs	—	90,775	34,265	125,040
Asset-backed securities, backed by consumer loans	—	—	53,087	53,087
Other ABS	—	—	97,773	97,773
Corporate debt securities	—	—	15,530	15,530
Corporate equity securities	337	—	11,654	11,991
U.S. Treasury securities	—	32,992	—	32,992
Loans, at fair value:				
Residential mortgage loans	—	—	3,643,094	3,643,094
Commercial mortgage loans	—	—	640,712	640,712
Consumer loans	—	—	159	159
Corporate loans	—	—	25,366	25,366
Reverse mortgage loans	—	—	12,331,316	12,331,316
Forward MSR-related investments, at fair value			77,852	77,852
MSRs, at fair value	—	—	28,913	28,913
Loan commitments, at fair value	—	—	9,124	9,124
Investment in unconsolidated entities, at fair value	—	—	312,421	312,421

Description	Level 1	Level 2	Level 3	Total
(continued)		*(In thousands)*		
Financial derivatives–assets, at fair value:				
Credit default swaps on asset-backed indices	—	2,206	—	2,206
Credit default swaps on corporate bond indices	—	4,621	—	4,621
Interest rate swaps	—	128,898	—	128,898
TBAs	—	257	—	257
Futures	1,095	—	—	1,095
Forwards	—	14	—	14
Total return swaps	—	—	24	24
Options	5,607	—	—	5,607
Warrants	—	1	—	1
Total assets, at fair value	$ 7,039	$ 664,973	$ 17,574,550	$ 18,246,562
Liabilities:				
Securities sold short, at fair value:				
Government debt	$ —	$ (272,702)	$ —	$ (272,702)
Financial derivatives–liabilities, at fair value:				
Credit default swaps on asset-backed securities	—	—	(2)	(2)
Credit default swaps on corporate bonds	—	(155)	—	(155)
Credit default swaps on corporate bond indices	—	(25,407)	—	(25,407)
Interest rate swaps	—	(26,797)	—	(26,797)
TBAs	—	(598)	—	(598)
Futures	(45)	—	—	(45)
Forwards	—	(69)	—	(69)
Loan purchase commitments, at fair value	—	—	(42)	(42)
Other secured borrowings, at fair value	—	—	(2,945,578)	(2,945,578)
HMBS-related obligations, at fair value	—	—	(10,406,332)	(10,406,332)
Unsecured borrowings, at fair value	—	—	(659,832)	(659,832)
Total liabilities, at fair value	$ (45)	$ (325,728)	$ (14,011,786)	$ (14,337,559)

The tables below include roll-forwards of the Company's financial instruments for the three- and nine-month periods ended September 30, 2026 and 2025 (including the change in fair value), for financial instruments classified by the Company within Level 3 of the valuation hierarchy.

Three-Month Period Ended September 30, 2026

(In thousands)	Beginning Balance as of June 30, 2026	Accreted Discounts / (Amortized Premiums)	Net Realized Gain/ (Loss)	Change in Net Unrealized Gain/(Loss)	Purchases/Payments[1]	Sales/ Issuances[2]	Transfers Into Level 3	Transfers Out of Level 3	Ending Balance as of September 30, 2026
Assets:									
Securities, at fair value:									
Agency RMBS	$ 12,760	$ (805)	$ 116	$ (105)	$ 1,527	$ (277)	$ —	$ (2,007)	$ 11,209
Non-Agency RMBS	396,915	(23,470)	(540)	35,925	58,299	(10,482)	5,180	(6,046)	455,781
CMBS	10,345	(6)	(118)	(1,081)	—	(835)	170	—	8,475
CLOs	44,632	(672)	(3,085)	3,585	11,813	(2,307)	1,698	(1,928)	53,736
Asset-backed securities backed by consumer loans	53,159	(1,784)	(422)	(820)	5,386	(4,211)	—	—	51,308
Other ABS	116,916	(2,532)	(974)	221	8,876	(9,597)	—	—	112,910
Corporate debt securities	29,419	—	1,096	(339)	3,535	(7,446)	—	—	26,265
Corporate equity securities	10,883	—	—	1,131	2,885	—	—	—	14,899
Loans, at fair value:									
Residential mortgage loans	3,559,269	(1,707)	(7,298)	(83,976)	1,684,191	(1,570,624)	—	—	3,579,855
Commercial mortgage loans	675,066	—	(221)	481	182,716	(112,023)	—	—	746,019
Consumer loans	108	(17)	1	6	—	(16)	—	—	82
Corporate loans	52,575	—	—	16	96,971	(100,921)	—	—	48,641
Reverse mortgage loans[3]	13,587,412	(235)	(134)	(4,584)	841,642	(295,841)	—	—	14,128,260
Forward MSR-related investments, at fair value	75,901	2,594	—	870	—	(4,986)	—	—	74,379
MSRs, at fair value[3]	30,040	—	—	249	—	—	—	—	30,289
Loan commitments, at fair value	10,191	—	—	(457)	—	—	—	—	9,734
Loan purchase commitments, at fair value	472	—	—	(472)	—	—	—	—	—
Investments in unconsolidated entities, at fair value	402,259	—	3,447	(1,349)	169,829	(189,616)	—	—	384,570
Financial derivatives–assets, at fair value:									
Total return swaps	63	—	576	38	1	(577)	—	—	101
Total assets, at fair value	$ 19,068,385	$ (28,634)	$ (7,556)	$ (50,661)	$ 3,067,671	$ (2,309,759)	$ 7,048	$ (9,981)	$ 19,736,513
Liabilities:									
Financial derivatives–liabilities, at fair value:									
Total return swaps	$ —	$ —	$ (190)	$ —	$ 190	$ —	$ —	$ —	$ —
Credit default swaps on asset-backed securities	(2)	—	—	—	—	—	—	—	(2)
Loan purchase commitments, at fair value	—	—	—	(10,152)	—	—	—	—	(10,152)
Other secured borrowings, at fair value	(3,451,333)	(5,451)	—	121,837	61,601	—	—	—	(3,273,346)
Unsecured borrowings, at fair value	(654,962)	—	(2,235)	8,835	37,750	(148,515)	—	—	(759,127)
HMBS-related obligations, at fair value[3]	(11,057,752)	—	—	(72,547)	285,668	(449,401)	—	—	(11,294,032)
Total liabilities, at fair value	$ (15,164,049)	$ (5,451)	$ (2,425)	$ 47,973	$ 385,209	$ (597,916)	$ —	$ —	$ (15,336,659)

(1) For Investments in unconsolidated entities, at fair value, amount represents contributions to investments in unconsolidated entities.

(2) For Investments in unconsolidated entities, at fair value and Forward MSR-related investments, at fair value, amount represents distributions received.
(3) Change in net unrealized gain (loss) represents the net change in fair value which can include interest income, interest expense, and realized and unrealized gains and losses.

All amounts of net realized and change in net unrealized gain (loss) in the table above are reflected in the accompanying Consolidated Statement of Operations. The table above incorporates changes in net unrealized gain (loss) for both Level 3 financial instruments held by the Company at September 30, 2026, as well as Level 3 financial instruments disposed of by the Company during the three-month period ended September 30, 2026. The following table details the change in net unrealized gain (loss) for Level 3 financial instruments still held by the Company at September 30, 2026.

(In thousands)	**Three-Month Period Ended September 30, 2026**
Securities, at fair value	$ 39,679
Loans, at fair value	(90,862)
Forward MSR-related investments, at fair value	870
MSRs, at fair value	249
Loan purchase commitments, at fair value	(10,419)
Loan commitments, at fair value	8,797
Investments in unconsolidated entities, at fair value	(4,016)
Financial derivatives-assets, at fair value	38
Other secured borrowings, at fair value	121,837
Unsecured borrowings, at fair value	7,493
HMBS-related obligations, at fair value	(72,547)

At September 30, 2026, the Company transferred $10.0 million of assets from Level 3 to Level 2 and $7.0 million from Level 2 to Level 3. Transfers between these hierarchy levels were based on the availability of sufficient observable inputs to meet Level 2 versus Level 3 criteria. The leveling of each financial instrument is reassessed at the end of each period, and is based on pricing information received from third-party pricing sources.

Three-Month Period Ended September 30, 2025

(In thousands)	Beginning Balance as of June 30, 2025	Accreted Discounts / (Amortized Premiums)	Net Realized Gain/ (Loss)	Change in Net Unrealized Gain/(Loss)	Purchases/Payments[1]	Sales/ Issuances[2]	Transfers Into Level 3	Transfers Out of Level 3	Ending Balance as of September 30, 2025
Assets:									
Securities, at fair value:									
Agency RMBS	$ 8,883	$ (438)	$ (5)	$ 138	$ 158	$ —	$ 555	$ (536)	$ 8,755
Non-Agency RMBS	258,932	(11,944)	690	(5,181)	63,690	(18,762)	6,129	(30,983)	262,571
CMBS	21,615	456	99	256	—	(1,592)	1,337	—	22,171
CLOs	20,794	(857)	428	(834)	33,281	(20,139)	—	—	32,673
Asset-backed securities backed by consumer loans	55,186	(1,722)	(1,042)	389	5,670	(4,424)	—	—	54,057
Other ABS	21,999	(1,277)	3,621	(586)	14,555	(4,789)	—	—	33,523
Corporate debt securities	13,607	—	(261)	(519)	2,898	(1,572)	—	—	14,153
Corporate equity securities	9,039	—	—	756	932	—	—	—	10,727
Loans, at fair value:									
Residential mortgage loans	3,107,555	1,299	7,609	10,845	1,309,295	(1,201,806)	—	—	3,234,797
Commercial mortgage loans	435,222	(49)	—	79	134,943	(24,521)	—	—	545,674
Consumer loans	271	(20)	26	(18)	11	(62)	—	—	208
Corporate loans	19,709	—	—	(11)	74,090	(75,484)	—	—	18,304
Reverse mortgage loans[3]	11,105,608	(179)	—	223,787	634,152	(231,052)	—	—	11,732,316
Forward MSR-related investments, at fair value	81,256	2,622	—	(2,160)	—	(7,024)	—	—	74,694
MSRs, at fair value[3]	29,276	—	—	(221)	—	—	—	—	29,055
Loan commitments, at fair value	8,785	—	—	42	—	—	—	—	8,827
Loan purchase commitments, at fair value	4,064	—	—	(4,054)	—	—	—	—	10
Investments in unconsolidated entities, at fair value	307,722	—	3,570	9,504	168,684	(201,794)	—	—	287,686
Financial derivatives–assets, at fair value:									
Total return swaps	—	—	—	13	—	—	—	—	13
Total assets, at fair value	$ 15,509,523	$ (12,109)	$ 14,735	$ 232,225	$ 2,442,359	$ (1,793,021)	$ 8,021	$ (31,519)	$ 16,370,214
Liabilities:									
Financial derivatives–liabilities, at fair value:									
Credit default swaps on asset-backed securities	$ (3)	$ —	$ 1	$ —	$ —	$ (1)	$ —	$ —	$ (3)
Other secured borrowings, at fair value	(2,127,225)	(1,808)	—	(13,969)	49,807	(120,799)	—	—	(2,213,994)
Unsecured borrowings, at fair value	(249,036)	—	—	(2,891)	—	—	—	—	(251,927)
HMBS-related obligations, at fair value	(9,814,811)	—	—	(171,019)	232,526	(364,345)	—	—	(10,117,649)
Total liabilities, at fair value	$ (12,191,075)	$ (1,808)	$ 1	$ (187,879)	$ 282,333	$ (485,145)	$ —	$ —	$ (12,583,573)

(1) For Investments in unconsolidated entities, at fair value, amount represents contributions to investments in unconsolidated entities.
(2) For Investments in unconsolidated entities, at fair value and Forward MSR-related investments, at fair value, amount represents distributions received.
(3) Change in net unrealized gain (loss) represents the net change in fair value which can include interest income and realized and unrealized gains and losses.

All amounts of net realized and change in net unrealized gain (loss) in the table above are reflected in the accompanying Condensed Consolidated Statement of Operations. The table above incorporates changes in net unrealized gain (loss) for both Level 3 financial instruments held by the Company at September 30, 2025, as well as Level 3 financial instruments disposed of by the Company during the three-month period ended September 30, 2025. The following table details the change in net unrealized gain (loss) for Level 3 financial instruments still held by the Company at September 30, 2025.

(In thousands)	**Three-Month Period Ended September 30, 2025**
Securities, at fair value	$ (3,101)
Loans, at fair value	232,291
Forward MSR-related investments, at fair value	(2,160)
MSRs, at fair value	(221)
Loan purchase commitments, at fair value	(2,334)
Loan commitments, at fair value	8,004
Investments in unconsolidated entities, at fair value	6,073
Financial derivatives-assets, at fair value	13
Other secured borrowings, at fair value	(13,969)
Unsecured borrowings, at fair value	(2,890)
HMBS-related obligations, at fair value	(171,019)

At September 30, 2025, the Company transferred $31.5 million of assets from Level 3 to Level 2 and $8.0 million from Level 2 to Level 3. Transfers between these hierarchy levels were based on the availability of sufficient observable inputs to meet Level 2 versus Level 3 criteria. The leveling of each financial instrument is reassessed at the end of each period, and is based on pricing information received from third-party pricing sources.

Nine-Month Period Ended September 30, 2026

(In thousands)	Beginning Balance as of December 31, 2025	Accreted Discounts / (Amortized Premiums)	Net Realized Gain/ (Loss)	Change in Net Unrealized Gain/(Loss)	Purchases/Payments[1]	Sales/ Issuances[2]	Transfers Into Level 3	Transfers Out of Level 3	Ending Balance as of September 30, 2026
Assets:									
Securities, at fair value:									
Agency RMBS	$ 12,578	$ (2,520)	$ 756	$ 65	$ 14,865	$ (6,448)	$ 536	$ (8,623)	$ 11,209
Non-Agency RMBS	267,747	(59,506)	5,228	26,325	286,937	(75,917)	28,015	(23,048)	455,781
CMBS	12,935	(106)	178	(3,717)	2,015	(2,511)	112	(431)	8,475
CLOs	34,265	(2,257)	(4,071)	1,048	22,208	(5,537)	18,809	(10,729)	53,736
Asset-backed securities backed by consumer loans	53,087	(5,461)	(3,401)	1,350	19,349	(13,616)	—	—	51,308
Other ABS	97,773	(7,013)	(4,544)	918	50,703	(24,927)	—	—	112,910
Corporate debt securities	15,530	—	530	1,557	21,911	(13,263)	—	—	26,265
Corporate equity securities	11,654	—	1,541	750	2,976	(2,022)	—	—	14,899
Loans, at fair value:									
Residential mortgage loans	3,643,094	829	(7,563)	(101,816)	5,604,864	(5,559,553)	—	—	3,579,855
Commercial mortgage loans	640,712	256	205	(328)	476,621	(371,447)	—	—	746,019
Consumer loans	159	(56)	(19)	54	11	(67)	—	—	82
Corporate loans	25,366	—	—	(148)	153,800	(130,377)	—	—	48,641
Reverse mortgage loans[3]	12,331,316	(684)	(308)	412,429	2,244,695	(859,188)	—	—	14,128,260
Forward MSR-related investments, at fair value	77,852	7,919	—	5,889	—	(17,281)	—	—	74,379
MSRs, at fair value[3]	28,913	—	—	1,376	—	—	—	—	30,289
Loan commitments, at fair value	9,124	—	—	610	—	—	—	—	9,734
Investments in unconsolidated entities, at fair value	312,421	—	14,037	16,600	529,890	(488,378)	—	—	384,570
Financial derivatives–assets, at fair value:									
Total return swaps	24	—	857	77	—	(857)	—	—	101
Total assets, at fair value	$ 17,574,550	$ (68,599)	$ 3,426	$ 363,039	$ 9,430,845	$ (7,571,389)	$ 47,472	$ (42,831)	$ 19,736,513
Liabilities:									
Financial derivatives–liabilities, at fair value:									
Total return swaps	$ —	$ —	$ (323)	$ —	$ 328	$ (5)	$ —	$ —	$ —
Credit default swaps on asset-backed securities	(2)	—	1	—	—	(1)	—	—	(2)
Loan purchase commitments, at fair value	(42)	—	—	(10,110)	—	—	—	—	(10,152)
Other secured borrowings, at fair value	(2,945,578)	(13,860)	—	139,089	220,815	(673,812)	—	—	(3,273,346)
Unsecured borrowings, at fair value	(659,832)	—	(2,235)	13,705	37,750	(148,515)	—	—	(759,127)
HMBS-related obligations, at fair value[3]	(10,406,332)	—	—	(387,796)	795,781	(1,295,685)	—	—	(11,294,032)
Total liabilities, at fair value	$ (14,011,786)	$ (13,860)	$ (2,557)	$ (245,112)	$ 1,054,674	$ (2,118,018)	$ —	$ —	$ (15,336,659)

(1) For Investments in unconsolidated entities, at fair value, amount represents contributions to investments in unconsolidated entities.
(2) For Investments in unconsolidated entities, at fair value and Forward MSR-related investments, at fair value, amount represents distributions received.
(3) Change in net unrealized gain (loss) represents the net change in fair value which can include interest income, interest expense, and realized and unrealized gains and losses.

All amounts of net realized and change in net unrealized gain (loss) in the table above are reflected in the accompanying Consolidated Statement of Operations. The table above incorporates changes in net unrealized gain (loss) for both Level 3 financial instruments held by the Company at September 30, 2026, as well as Level 3 financial instruments disposed of by the Company during the nine-month period ended September 30, 2026. The following table details the change in net unrealized gain (loss) for Level 3 financial instruments still held by the Company at September 30, 2026.

(In thousands)	**Nine-Month Period Ended September 30, 2026**
Securities, at fair value	$ 32,042
Loans, at fair value	310,596
Forward MSR-related investments, at fair value	5,889
MSRs, at fair value	1,376
Loan purchase commitments, at fair value	(10,152)
Loan commitments, at fair value	9,734
Investments in unconsolidated entities, at fair value	11,685
Financial derivatives-assets, at fair value	77
Other secured borrowings, at fair value	139,089
Unsecured borrowings, at fair value	12,363
HMBS-related obligations, at fair value	(387,796)

At September 30, 2026, the Company transferred $42.8 million of assets from Level 3 to Level 2 and $47.5 million from Level 2 to Level 3. Transfers between these hierarchy levels were based on the availability of sufficient observable inputs to meet Level 2 versus Level 3 criteria. The leveling of each financial instrument is reassessed at the end of each period, and is based on pricing information received from third-party pricing sources.

Nine-Month Period Ended September 30, 2025

(In thousands)	Beginning Balance as of December 31, 2024	Accreted Discounts / (Amortized Premiums)	Net Realized Gain/ (Loss)	Change in Net Unrealized Gain/(Loss)	Purchases/Payments[1]	Sales/Issuances[2]	Transfers Into Level 3	Transfers Out of Level 3	Ending Balance as of September 30, 2025
Assets:									
Securities, at fair value:									
Agency RMBS	$ 10,660	$ (1,130)	$ (16)	$ 690	$ 1,161	$ (848)	$ 2,151	$ (3,913)	$ 8,755
Non-Agency RMBS	153,188	(31,114)	2,386	2,278	207,501	(52,511)	13,148	(32,305)	262,571
CMBS	21,399	903	(389)	108	—	(4,169)	9,761	(5,442)	22,171
CLOs	22,678	(3,156)	574	(2,520)	44,405	(29,308)	—	—	32,673
Asset-backed securities backed by consumer loans	60,227	(5,193)	(5,498)	1,365	19,294	(16,138)	—	—	54,057
Other ABS	35,483	(1,280)	6,936	(2,584)	16,603	(21,635)	—	—	33,523
Corporate debt securities	14,352	—	(3)	(1,015)	9,162	(8,343)	—	—	14,153
Corporate equity securities	9,759	—	(348)	1,445	1,953	(2,082)	—	—	10,727
Loans, at fair value:									
Residential mortgage loans	3,539,534	767	18,893	54,683	3,225,311	(3,604,391)	—	—	3,234,797
Commercial mortgage loans	350,515	—	(9,699)	11,803	290,452	(97,397)	—	—	545,674
Consumer loans	477	(100)	52	(41)	28	(208)	—	—	208
Corporate loans	11,767	—	(1,644)	1,740	142,179	(135,738)	—	—	18,304
Reverse mortgage loans[3]	10,097,279	(312)	—	613,060	1,659,036	(636,747)	—	—	11,732,316
Forward MSR-related investments, at fair value	77,848	8,203	—	9,836	—	(21,193)	—	—	74,694
MSRs, at fair value[3]	29,766	—	—	(711)	—	—	—	—	29,055
Loan commitments, at fair value	6,692	—	—	2,135	—	—	—	—	8,827
Loan purchase commitments, at fair value	—	—	—	10	—	—	—	—	10
Investments in unconsolidated entities, at fair value	220,078	—	1,189	37,260	409,762	(380,603)	—	—	287,686
Financial derivatives–assets, at fair value:									
Total return swaps	—	—	—	13	—	—	—	—	13
Total assets, at fair value	$ 14,661,702	$ (32,412)	$ 12,433	$ 729,555	$ 6,026,847	$ (5,011,311)	$ 25,060	$ (41,660)	$ 16,370,214
Liabilities:									
Financial derivatives–liabilities, at fair value:									
Credit default swaps on asset-backed securities	$ (3)	$ —	$ 1	$ —	$ —	$ (1)	$ —	$ —	$ (3)
Loan purchase commitments, at fair value	(1,602)	—	—	1,602	—	—	—	—	—
Other secured borrowings, at fair value	(1,934,309)	(5,101)	—	(75,298)	144,167	(343,453)	—	—	(2,213,994)
Unsecured borrowings, at fair value	(281,912)	—	(1,383)	(3,563)	34,931	—	—	—	(251,927)
HMBS-related obligations, at fair value	(9,150,883)	—	—	(460,701)	635,823	(1,141,888)	—	—	(10,117,649)
Total liabilities, at fair value	$ (11,368,709)	$ (5,101)	$ (1,382)	$ (537,960)	$ 814,921	$ (1,485,342)	$ —	$ —	$ (12,583,573)

(1) For Investments in unconsolidated entities, at fair value, amount represents contributions to investments in unconsolidated entities.
(2) For Investments in unconsolidated entities, at fair value, amount represents distributions received.
(3) Change in net unrealized gain (loss) represents the net change in fair value which can include interest income and realized and unrealized gains and losses.

All amounts of net realized and change in net unrealized gain (loss) in the table above are reflected in the accompanying Consolidated Statement of Operations. The table above incorporates changes in net unrealized gain (loss) for both Level 3 financial instruments held by the Company at September 30, 2025, as well as Level 3 financial instruments disposed of by the Company during the nine-month period ended September 30, 2025. The following table details the change in net unrealized gain (loss) for Level 3 financial instruments still held by the Company at September 30, 2025.

(In thousands)	Nine-Month Period Ended September 30, 2025
Securities, at fair value	$ 2,591
Loans, at fair value	650,936
Forward MSR-related investments, at fair value	9,836
MSRs, at fair value	(711)
Loan purchase commitments, at fair value	10
Loan commitments, at fair value	8,823
Investments in unconsolidated entities, at fair value	21,816
Financial derivatives-assets, at fair value	13
Other secured borrowings, at fair value	(75,299)
Unsecured borrowings, at fair value	(4,717)
HMBS-related obligations, at fair value	(460,701)

At September 30, 2025, the Company transferred $41.7 million of assets from Level 3 to Level 2 and $25.1 million from Level 2 to Level 3. Transfers between these hierarchy levels were based on the availability of sufficient observable inputs to meet Level 2 versus Level 3 criteria. The leveling of each financial instrument is reassessed at the end of each period, and is based on pricing information received from third-party pricing sources.

The following table summarizes the estimated fair value of all other financial instruments not measured at fair value on a recurring basis as of September 30, 2026 and December 31, 2025:

	September 30, 2026		December 31, 2025	
(In thousands)	Fair Value	Carrying Value	Fair Value	Carrying Value
Other financial instruments				
Assets:				
Cash and cash equivalents	$ 269,485	$ 269,485	$ 201,893	$ 201,893
Restricted cash	33,187	33,187	136,297	136,297
Due from brokers	70,690	70,690	35,919	35,919
Reverse repurchase agreements	661,830	661,830	453,037	453,037
Liabilities:				
Repurchase agreements	3,570,514	3,570,514	2,655,444	2,655,444
Other secured borrowings	251,568	251,568	296,398	296,398
Due to brokers	97,765	97,765	48,104	48,104

Cash and cash equivalents generally includes cash held in interest bearing overnight accounts, for which fair value equals the carrying value, and investments which are liquid in nature, such as investments in money market accounts or U.S. Treasury Bills, for which fair value equals the carrying value; such assets are considered Level 1. Restricted cash includes cash held in segregated accounts for which fair value equals the carrying value; such assets are considered Level 1. Due from brokers and Due to brokers include collateral transferred to or received from counterparties, along with receivables and payables for open and/or closed derivative positions. These receivables and payables are short term in nature and any collateral transferred consists primarily of cash; fair value of these items is approximated by carrying value and such items are considered Level 1. The Company's reverse repurchase agreements, repurchase agreements, and other secured borrowings are carried at cost, which approximates fair value due to their short-term nature. Reverse repurchase agreements, repurchase agreements, and other secured borrowings are classified as Level 2 based on the adequacy of the collateral and their short-term nature.

The following table identifies the significant unobservable inputs that affect the valuation of the Company's Level 3 assets and liabilities as of September 30, 2026:

Description	Fair Value	Valuation Technique	Unobservable Input	Range		Weighted Average
				Min	Max	
	(In thousands)					
Non-Agency RMBS	$ 186,818	Market Quotes	Non Binding Third-Party Valuation	$ 0.46	$ 215.78	$ 26.74
	268,963	Discounted Cash Flows				
	455,781		Yield	0.7 %	80.2 %	15.5 %
			Projected Collateral Prepayments	0.0 %	85.1 %	76.6 %
			Projected Collateral Losses	0.0 %	57.8 %	5.1 %
			Projected Collateral Recoveries	0.0 %	52.0 %	3.8 %
Non-Agency CMBS	3,900	Market Quotes	Non Binding Third-Party Valuation	$ 2.55	$ 84.73	$ 37.26
	4,575	Discounted Cash Flows				
	8,475		Yield	8.7 %	37.6 %	18.9 %
			Projected Collateral Losses	0.0 %	92.0 %	13.0 %
			Projected Collateral Recoveries	8.0 %	100.0 %	86.3 %
CLOs	30,424	Market Quotes	Non Binding Third-Party Valuation	$ 16.95	$ 121.16	$ 76.13
	23,312	Discounted Cash Flows				
	53,736		Yield	10.2 %	54.2 %	16.8 %
Agency interest only RMBS	5,696	Market Quotes	Non Binding Third-Party Valuation	$ 1.63	$ 25.22	$ 12.46
	5,513	Option Adjusted Spread ("OAS")				
	11,209		SOFR OAS[1]	214	3,265	588
			Projected Collateral Prepayments	8.3 %	94.8 %	60.2 %
ABS	95,322	Market Quotes	Non Binding Third-Party Valuation	$ 2.03	$ 100.00	$ 76.79
	68,896	Discounted Cash Flows				
	164,218		Yield	0.0 %	45.3 %	10.9 %
			Projected Collateral Prepayments	0.0 %	62.0 %	17.7 %
			Projected Collateral Losses	0.0 %	62.1 %	18.0 %
Corporate debt and equity	2,468	Enterprise Value	Equity Price-to-Book	0.9x	0.9x	0.9x
	38,696	Discounted Cash Flows	Yield	3.4 %	86.8 %	22.0 %
	41,164					
Performing and re-performing residential mortgage loans	1,964,595	Discounted Cash Flows	Yield	2.3 %	45.0 %	7.2 %
Securitized residential mortgage loans[2][3]	1,385,185	Market Quotes	Non Binding Third-Party Valuation	$ 0.50	$ 100.00	$ 88.02
	88,460	Discounted Cash Flows				
	1,473,645		Yield	0.3 %	49.8 %	7.3 %
Non-performing residential mortgage loans	141,615	Discounted Cash Flows	Yield	1.0 %	122.4 %	8.2 %
			Recovery Amount	0.3 %	219.2 %	84.4 %
			Months to Resolution/Maturity	1.9	119.1	24.1
Performing commercial mortgage loans	693,208	Discounted Cash Flows	Yield	7.0 %	20.0 %	8.6 %

Description	Fair Value	Valuation Technique	Unobservable Input	Range		Weighted Average
				Min	Max	
(continued)	*(In thousands)*					
Non-performing commercial mortgage loans	$ 52,811	Discounted Cash Flows	Yield	9.6 %	14.2 %	12.1 %
			Recovery Amount	87.5 %	100.0 %	96.5 %
			Months to Resolution	4.0	10.0	6.5
Consumer loans	82	Discounted Cash Flows	Yield	11.8 %	12.0 %	12.0 %
			Projected Collateral Prepayments	0.0 %	28.1 %	9.7 %
			Projected Collateral Losses	1.6 %	85.1 %	18.9 %
Corporate loans	48,641	Discounted Cash Flows	Yield	0.0 %	29.3 %	11.3 %
Reverse Mortgage Loans—HECM	11,500,613	Discounted Cash Flows	Yield	2.8 %	7.2 %	5.1 %
			Conditional Prepayment Rate	1.9 %	39.7 %	7.7 %
Reverse Mortgage Loans—HECM buyouts	53,153	Discounted Cash Flows	Yield	6.7 %	11.4 %	8.4 %
			Months to Resolution	3.0	328.5	19.2
Reverse Mortgage Loans—Unsecuritized Proprietary	659,887	Discounted Cash Flows	Yield	6.6 %	11.3 %	7.7 %
			Conditional Prepayment Rate	6.2 %	27.5 %	12.6 %
Reverse Mortgage Loans—Securitized Proprietary[2]	1,914,607	Market Quotes	Non Binding Third-Party Valuation	$ 86.03	$ 113.70	$ 103.46
			Yield	5.3 %	10.2 %	6.0 %
Forward MSR-related investments	74,379	Discounted Cash Flows	Yield	9.7 %	9.7 %	9.7 %
			Conditional Prepayment Rate	5.0 %	5.0 %	5.0 %
MSRs	30,289	Discounted Cash Flows	Yield	17.4 %	17.4 %	17.4 %
			Conditional Prepayment Rate	10.5 %	44.3 %	14.9 %
Loan Commitments	9,734	Discounted Cash Flows	Pull-through rate	68.1 %	92.0 %	70.2 %
			Cost to originate	3.6 %	8.8 %	4.5 %
Investment in unconsolidated entities—Loan origination and mortgage-related entities	88,846	Enterprise Value	Equity Price-to-Book[4]	0.5x	2.3x	2.1x
Investment in unconsolidated entities—Other	295,724	Enterprise Value	Net Asset Value	n/a	n/a	n/a
	384,570					
Loan Purchase Commitments	(10,152)	Transaction Price	Yield	6.1 %	7.8 %	6.7 %
Total return swaps	101	Discounted Cash Flows	Yield	31.3 %	31.3 %	31.3 %
Credit default swaps on asset-backed securities	(2)	Net Discounted Cash Flows	Projected Collateral Prepayments	22.9 %	22.9 %	22.9 %
			Projected Collateral Losses	8.6 %	8.6 %	8.6 %
			Projected Collateral Recoveries	12.3 %	12.3 %	12.3 %
Other secured borrowings, at fair value[2]	(3,273,346)	Market Quotes	Non Binding Third-Party Valuation	$ 0.50	$ 113.70	$ 97.20
			Yield	5.1%	13.5%	6.1%
			Projected Collateral Prepayments	9.0%	91.0%	59.2%
HMBS-related obligations, at fair value	(11,294,032)	Discounted Cash Flows	Yield	2.7%	7.1%	5.0%
			Conditional Prepayment Rate	6.7%	39.7%	7.7%
Unsecured borrowings, at fair value	(759,127)	Market Quotes	Non Binding Third-Party Valuation	$ 81.75	$ 98.36	$ 97.98

(1) Shown in basis points.
(2) Securitized residential mortgage loans, Reverse Mortgage Loans—Securitized Proprietary, and Other secured borrowings, at fair value, represent financial assets and liabilities of the Company's CFEs as discussed in Note 2.

(3) Includes $68.5 million of non-performing securitized residential mortgage loans.
(4) Represents an estimation of where market participants might value an enterprise on a price-to-book basis. For the range minimum, the range maximum, and the weighted average price-to-book ratio, excludes investments in unconsolidated entities with a total fair value of $0.4 million. Including such investments, the weighted average price-to-book ratio was 2.1x.

Third-party non-binding valuations are validated by comparing such valuations to internally generated prices based on the Company's or third-party models and, when available, to recent trading activity in the same or similar instruments.

For those instruments valued using discounted and net discounted cash flows, collateral prepayments, losses, recoveries, and scheduled amortization are projected over the remaining life of the collateral and expressed as a percentage of the collateral's current principal balance. Averages are weighted based on the fair value of the related instrument. In the case of credit default swaps on asset-backed securities, averages are weighted based on each instrument's bond equivalent value. Bond equivalent value represents the investment amount of a corresponding position in the reference obligation, calculated as the difference between the outstanding principal balance of the underlying reference obligation and the fair value, inclusive of accrued interest, of the derivative contract. For those assets valued using the SOFR Option Adjusted Spread ("SOFR OAS") valuation methodology, cash flows are projected using the Company's models over multiple interest rate scenarios, and these projected cash flows are then discounted using the SOFR rates implied by each interest rate scenario. The SOFR OAS of an asset is then computed as the unique constant yield spread that, when added to all SOFR rates in each interest rate scenario generated by the model, will equate (a) the expected present value of the projected asset cash flows over all model scenarios to (b) the actual current market price of the asset. SOFR OAS is therefore model-dependent. Generally speaking, SOFR OAS measures the additional yield spread over SOFR that an asset provides at its current market price after taking into account any interest rate optionality embedded in the asset. The Company considers the expected timeline to resolution in the determination of fair value for its non-performing commercial and residential mortgage loans.

Material changes in any of the inputs above in isolation could result in a significant change to reported fair value measurements. Additionally, fair value measurements are impacted by the interrelationships of these inputs. For example, for instruments subject to prepayments and credit losses, such as non-Agency RMBS and consumer loans and ABS backed by consumer loans, a higher expectation of collateral prepayments will generally be accompanied by a lower expectation of collateral losses. Conversely, higher losses will generally be accompanied by lower prepayments. Because the Company's credit default swaps on asset-backed security holdings represent credit default swap contracts whereby the Company has purchased credit protection, such credit default swaps on asset-backed securities generally have the directionally opposite sensitivity to prepayments, losses, and recoveries as compared to the Company's long securities holdings. Prepayments do not represent a significant input for the Company's commercial mortgage-backed securities and commercial mortgage loans. Losses and recoveries do not represent a significant input for the Company's Agency RMBS interest only securities, given the guarantee of the issuing government agency or government-sponsored enterprise.

4. Investment in Securities

The Company's securities portfolio primarily consists of Agency RMBS, non-Agency RMBS, CMBS, CLOs, ABS and ABS backed by consumer loans, and corporate debt and equity. The following tables detail the Company's investment in securities as of September 30, 2026 and December 31, 2025.

September 30, 2026:

($ in thousands)	Current Principal	Unamortized Premium (Discount)	Amortized Cost	Gross Unrealized		Fair Value	Weighted Average		
				Gains	Losses		Coupon[1][2]	Yield	Life (Years)[3]
Long:									
Agency Pass-Throughs:									
15-year fixed-rate mortgages	$ 4,071	$ (9)	$ 4,062	$ —	$ (260)	$ 3,802	3.50 %	3.69 %	2.59
30-year fixed-rate mortgages	186,645	(1,118)	185,527	—	(22,568)	162,959	3.87 %	3.80 %	7.99
Reverse mortgages	576	30	606	—	(55)	551	4.44 %	2.80 %	4.08
Agency interest only securities	n/a	n/a	20,801	2,817	(973)	22,645	2.14 %	12.40 %	4.78
Non-Agency RMBS	321,940	(91,201)	230,739	12,578	(13,935)	229,382	5.46 %	7.94 %	6.33
CMBS	60,942	(25,174)	35,768	42	(20,163)	15,647	4.23 %	5.36 %	3.94
Non-Agency interest only securities	n/a	n/a	335,435	54,410	(12,701)	377,144	0.75 %	17.83 %	6.88
CLOs	n/a	n/a	123,033	1,285	(16,475)	107,843	2.25 %	11.58 %	7.80
ABS	n/a	n/a	109,598	6,217	(2,905)	112,910	3.65 %	10.42 %	3.12
ABS backed by consumer loans	162,739	(105,720)	57,019	411	(6,122)	51,308	12.00 %	8.98 %	1.63
Corporate debt	86,528	(62,536)	23,992	4,696	(2,423)	26,265	0.06 %	— %	2.37
Corporate equity	n/a	n/a	13,013	4,862	(2,811)	15,064	n/a	n/a	n/a
U.S. Treasury securities	107,447	(887)	106,560	—	(6,594)	99,966	4.15 %	4.15 %	8.20
Total Long	930,888	(286,615)	1,246,153	87,318	(107,985)	1,225,486	5.54 %	10.35 %	6.35
Short:									
U.S. Treasury securities	(272,116)	2,391	(269,725)	10,949	—	(258,776)	4.21 %	4.20 %	6.47
Total Short	(272,116)	2,391	(269,725)	10,949	—	(258,776)	4.21 %	4.20 %	6.47
Total	$ 658,772	$ (284,224)	$ 976,428	$ 98,267	$ (107,985)	$ 966,710	5.24 %	9.22 %	6.37

(1) Weighted average coupon represents the weighted average coupons of the securities, rather than, in the case of collateralized securities, the coupon rates or loan rates on the underlying collateral.
(2) Total long, total short, and total weighted average coupon exclude interest only securities, CLOs, asset-backed securities, and corporate equity.
(3) Expected average lives of MBS are generally shorter than stated contractual maturities. Average lives are affected by the contractual maturities of the underlying mortgages, scheduled periodic payments of principal, and unscheduled prepayments of principal.

December 31, 2025:

($ in thousands)	Current Principal	Unamortized Premium (Discount)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Coupon[1][2]	Weighted Average Yield	Weighted Average Life (Years)[3]
Long:									
Agency Pass-Throughs:									
15-year fixed-rate mortgages	$ 5,271	$ (20)	$ 5,251	$ 47	$ (94)	$ 5,204	3.50 %	3.77 %	2.50
30-year fixed-rate mortgages	209,771	(356)	209,415	2,564	(14,106)	197,873	3.93 %	3.84 %	7.31
Reverse mortgages	655	33	688	—	(132)	556	4.46 %	2.75 %	4.15
Agency interest only securities	n/a	n/a	13,012	1,913	(191)	14,734	1.21 %	12.00 %	6.57
Non-Agency RMBS	308,570	(80,178)	228,392	24,999	(5,226)	248,165	5.09 %	8.42 %	4.51
CMBS	66,252	(25,995)	40,257	700	(15,800)	25,157	3.74 %	9.91 %	4.13
Non-Agency interest only securities	n/a	n/a	212,700	10,853	(16,773)	206,780	0.76 %	13.58 %	3.11
CLOs	n/a	n/a	138,068	1,139	(14,167)	125,040	3.22 %	11.10 %	7.08
ABS	n/a	n/a	95,378	5,866	(3,471)	97,773	2.87 %	13.98 %	3.26
ABS backed by consumer loans	157,165	(97,017)	60,148	382	(7,443)	53,087	12.00 %	9.83 %	1.64
Corporate debt	55,795	(40,981)	14,814	3,826	(3,110)	15,530	0.10 %	— %	2.76
Corporate equity	n/a	n/a	10,517	3,594	(2,120)	11,991	n/a	n/a	n/a
U.S. Treasury securities	32,600	(44)	32,556	436	—	32,992	4.14 %	3.97 %	5.04
Total Long	836,079	(244,558)	1,061,196	56,319	(82,633)	1,034,882	5.61 %	9.42 %	4.81
Short:									
U.S. Treasury securities	(268,105)	(1,213)	(269,318)	459	(1,119)	(269,978)	4.03 %	3.93 %	7.09
European sovereign bonds	(2,730)	36	(2,694)	—	(30)	(2,724)	0.13 %	1.28 %	0.08
Total Short	(270,835)	(1,177)	(272,012)	459	(1,149)	(272,702)	3.99 %	3.91 %	7.02
Total	$ 565,244	$ (245,735)	$ 789,184	$ 56,778	$ (83,782)	$ 762,180	5.21 %	8.27 %	5.28

(1) Weighted average coupon represents the weighted average coupons of the securities, rather than, in the case of collateralized securities, the coupon rates or loan rates on the underlying collateral.
(2) Total long, total short, and total weighted average coupon excludes interest only securities, CLOs, and corporate equity.
(3) Expected average lives of MBS are generally shorter than stated contractual maturities. Average lives are affected by the contractual maturities of the underlying mortgages, scheduled periodic payments of principal, and unscheduled prepayments of principal.

The following tables detail weighted average life of the Company's long securities as of September 30, 2026 and December 31, 2025.

September 30, 2026[1]:

($ in thousands)	MBS			IOs			CLOs and Other Securities[2]		
Estimated Weighted Average Life[3]	**Fair Value**	**Amortized Cost**	**Weighted Average Coupon[4]**	**Fair Value**	**Amortized Cost**	**Weighted Average Coupon[4]**	**Fair Value**	**Amortized Cost**	**Weighted Average Coupon[4]**
Less than three years	$ 121,066	$ 122,998	4.49 %	$ 5,059	$ 6,155	1.00 %	$ 141,685	$ 149,005	5.17 %
Greater than three years and less than seven years	60,544	58,957	5.16 %	321,065	296,441	0.90 %	95,554	97,695	3.57 %
Greater than seven years and less than eleven years	195,467	234,203	4.48 %	64,366	45,430	0.39 %	61,087	66,942	0.96 %
Greater than eleven years	35,264	40,544	6.82 %	9,299	8,210	0.52 %	—	—	— %
Total	$ 412,341	$ 456,702	4.80 %	$ 399,789	$ 356,236	0.77 %	$ 298,326	$ 313,642	4.19 %

(1) Excludes U.S. Treasury and corporate equity securities.
(2) Other Securities includes ABS and corporate debt.
(3) Expected average lives of MBS are generally shorter than stated contractual maturities. Average lives are affected by the contractual maturities of the underlying mortgages, scheduled periodic payments of principal, and unscheduled prepayments of principal.
(4) Weighted average coupon represents the weighted average coupons of the securities, rather than the coupon rates or loan rates on the underlying collateral.

December 31, 2025[1][2]:

($ in thousands)	MBS			IOs			CLOs and Other Securities[3]		
Estimated Weighted Average Life[4]	**Fair Value**	**Amortized Cost**	**Weighted Average Coupon[5]**	**Fair Value**	**Amortized Cost**	**Weighted Average Coupon[5]**	**Fair Value**	**Amortized Cost**	**Weighted Average Coupon[5]**
Less than three years	$ 151,053	$ 136,131	4.26 %	$ 165,729	$ 175,859	1.49 %	$ 131,748	$ 143,309	4.65 %
Greater than three years and less than seven years	137,119	137,892	5.28 %	35,124	35,778	0.26 %	97,330	96,852	4.54 %
Greater than seven years and less than eleven years	159,942	182,346	3.77 %	17,167	11,072	0.17 %	54,507	58,027	1.97 %
Greater than eleven years	28,841	27,634	6.78 %	3,494	3,003	0.80 %	7,845	10,220	0.48 %
Total	$ 476,955	$ 484,003	4.51 %	$ 221,514	$ 225,712	0.78 %	$ 291,430	$ 308,408	4.31 %

(1) Conformed to current period presentation.
(2) Excludes U.S. Treasury and corporate equity securities.
(3) Other Securities includes ABS and corporate debt.
(4) Expected average lives of MBS are generally shorter than stated contractual maturities. Average lives are affected by the contractual maturities of the underlying mortgages, scheduled periodic payments of principal, and unscheduled prepayments of principal.
(5) Weighted average coupon represents the weighted average coupons of the securities, rather than the coupon rates or loan rates on the underlying collateral.

The following table details the components of interest income by security type for the three- and nine-month periods ended September 30, 2026 and 2025:

(In thousands)	Three-Month Period Ended					
	September 30, 2026			September 30, 2025		
Security Type	**Coupon Interest[1]**	**Net Amortization**	**Interest Income**	**Coupon Interest[1]**	**Net Amortization**	**Interest Income**
Agency RMBS	$ 3,689	$ (1,157)	$ 2,532	$ 3,342	$ (470)	$ 2,872
Non-Agency RMBS and CMBS	43,428	(23,323)	20,105	23,148	(11,412)	11,736
CLOs	3,972	(650)	3,322	2,940	(389)	2,551
Other securities[2]	10,501	(4,316)	6,185	6,299	(3,041)	3,258
Total	$ 61,590	$ (29,446)	$ 32,144	$ 35,729	$ (15,312)	$ 20,417

(1) Coupon interest includes distributions on interest-only and certain equity tranches.
(2) Other securities includes ABS, corporate debt and equity, and U.S. Treasury securities.

(In thousands)	Nine-Month Period Ended					
	September 30, 2026			September 30, 2025		
Security Type	**Coupon Interest[1]**	**Net Amortization**	**Interest Income**	**Coupon Interest[1]**	**Net Amortization**	**Interest Income**
Agency RMBS	$ 10,532	$ (2,921)	$ 7,611	$ 10,702	$ (850)	$ 9,852
Non-Agency RMBS and CMBS	115,478	(63,459)	52,019	57,825	(29,820)	28,005
CLOs	14,112	(4,027)	10,085	8,268	(2,519)	5,749
Other securities[2]	30,181	(12,474)	17,707	20,027	(6,715)	13,312
Total	$ 170,303	$ (82,881)	$ 87,422	$ 96,822	$ (39,904)	$ 56,918

(1) Coupon interest includes distributions on interest-only and certain equity tranches.
(2) Other securities includes ABS, corporate debt and equity, and U.S. Treasury securities.

For the three-month periods ended September 30, 2026 and 2025, the Catch-Up Amortization Adjustment was $0.1 million and $23 thousand, respectively. For the nine-month periods ended September 30, 2026 and 2025, the Catch-Up Amortization Adjustment was $0.3 million and $0.9 million, respectively.

The following tables present proceeds from sales and the resulting realized gains and (losses) of the Company's securities for the three- and nine-month periods ended September 30, 2026 and 2025.

(In thousands)	Three-Month Period Ended September 30, 2026				Three-Month Period Ended September 30, 2025			
Security Type	**Proceeds[1]**	**Gross Realized Gains**	**Gross Realized Losses[2]**	**Net Realized Gain (Loss)**	**Proceeds[1]**	**Gross Realized Gains**	**Gross Realized Losses[2]**	**Net Realized Gain (Loss)**
Agency RMBS	$ 4,967	$ 124	$ (948)	$ (824)	$ 41,771	$ 601	$ (705)	$ (104)
Non-Agency RMBS and CMBS	7,121	1,052	(466)	586	38,192	2,048	(228)	1,820
CLOs	15,137	288	(335)	(47)	24,887	504	—	504
Other securities[3]	93,811	2,238	(1,061)	1,177	199,404	5,563	(201)	5,362
Total	$ 121,036	$ 3,702	$ (2,810)	$ 892	$ 304,254	$ 8,716	$ (1,134)	$ 7,582

(1) Includes proceeds on sales of securities not yet settled as of period end.
(2) Excludes realized losses of $(6.4) million and $(1.8) million for the three-month periods ended September 30, 2026 and 2025, respectively, related to adjustments to the cost basis of certain securities for which the Company has determined all or a portion of such securities' cost basis to be uncollectible.
(3) Other securities includes ABS, corporate debt and equity, exchange-traded equity, and U.S. Treasury securities.

(In thousands)	Nine-Month Period Ended September 30, 2026				Nine-Month Period Ended September 30, 2025			
Security Type	**Proceeds[1]**	**Gross Realized Gains**	**Gross Realized Losses[2]**	**Net Realized Gain (Loss)**	**Proceeds[1]**	**Gross Realized Gains**	**Gross Realized Losses[2]**	**Net Realized Gain (Loss)**
Agency RMBS	$ 12,424	$ 822	$ (948)	$ (126)	$ 83,623	$ 1,050	$ (2,767)	$ (1,717)
Non-Agency RMBS and CMBS	95,109	8,728	(584)	8,144	83,281	9,312	(217)	9,095
CLOs	61,299	774	(911)	(137)	54,842	1,261	(1,118)	143
Other securities[3]	334,920	6,700	(1,867)	4,833	650,911	11,842	(8,700)	3,142
Total	$ 503,752	$ 17,024	$ (4,310)	$ 12,714	$ 872,657	$ 23,465	$ (12,802)	$ 10,663

(1) Includes proceeds on sales of securities not yet settled as of period end.
(2) Excludes realized losses of $(15.9) million and $(8.1) million for the nine-month periods ended September 30, 2026 and 2025, respectively, related to adjustments to the cost basis of certain securities for which the Company has determined all or a portion of such securities' cost basis to be uncollectible.
(3) Other securities includes ABS, corporate debt and equity, exchange-traded equity, and U.S. Treasury securities.

The following tables present the fair value and gross unrealized losses of the Company's long securities, excluding those where there are expected credit losses as of the balance sheet date in relation to such securities' cost basis, by length of time that such securities have been in an unrealized loss position at September 30, 2026 and December 31, 2025.

September 30, 2026:

(In thousands)	Less than 12 Months		Greater than 12 Months		Total	
Security Type	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
Agency RMBS	$ 71,920	$ (2,477)	$ 97,470	$ (20,619)	$ 169,390	$ (23,096)
Non-Agency RMBS and CMBS	36,975	(1,348)	14,346	(909)	51,321	(2,257)
CLOs	27,104	(1,607)	7,036	(2,279)	34,140	(3,886)
Other securities[1]	134,752	(7,750)	3,197	(1,930)	137,949	(9,680)
Total	$ 270,751	$ (13,182)	$ 122,049	$ (25,737)	$ 392,800	$ (38,919)

(1) Other securities includes ABS, U.S. Treasury securities, and corporate debt and equity securities.

December 31, 2025:

(In thousands)	Less than 12 Months		Greater than 12 Months		Total	
Security Type	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**	**Fair Value**	**Unrealized Losses**
Agency RMBS	$ 1,095	$ (106)	$ 119,269	$ (14,236)	$ 120,364	$ (14,342)
Non-Agency RMBS and CMBS	33,264	(2,056)	19,314	(3,693)	52,578	(5,749)
CLOs	18,099	(1,054)	605	(597)	18,704	(1,651)
Other securities[1]	13,169	(4,162)	2,889	(901)	16,058	(5,063)
Total	$ 65,627	$ (7,378)	$ 142,077	$ (19,427)	$ 207,704	$ (26,805)

(1) Other securities includes ABS, U.S. Treasury securities, and corporate debt and equity securities.

As described in Note 2, the Company evaluates the cost basis of its securities for impairment on at least a quarterly basis. As of September 30, 2026 and December 31, 2025, the Company had expected future credit losses, which it tracks for purposes of calculating interest income, of $47.0 million and $42.3 million, respectively, related to adverse changes in estimated future cash flows on its securities.

The Company has determined for certain securities that a portion of such securities' cost basis is not collectible. For the three-month periods ended September 30, 2026 and 2025, the Company recognized realized losses on these securities of $(6.4) million and $(1.8) million, respectively. For the nine-month periods ended September 30, 2026 and 2025, the Company recognized realized losses on these securities of $(15.9) million and $(8.1) million, respectively. Such losses are reflected in Net realized gains (losses) on securities and loans, net, on the Consolidated Statement of Operations.

5. Investment in Loans

The Company invests in various types of loans, such as residential mortgage, commercial mortgage, consumer, corporate, and reverse mortgage loans. As discussed in Note 2, the Company has elected the FVO for its investments in loans. The following table is a summary of the Company's investments in loans as of September 30, 2026 and December 31, 2025:

(In thousands)	September 30, 2026		December 31, 2025	
Loan Type	**Unpaid Principal Balance**	**Fair Value**	**Unpaid Principal Balance**	**Fair Value**
Residential mortgage loans	$ 3,777,650	$ 3,579,855	$ 3,739,813	$ 3,643,094
Commercial mortgage loans	750,557	746,019	648,592	640,712
Consumer loans	96	82	190	159
Corporate loans	49,629	48,641	25,767	25,366
Reverse mortgage loans	13,372,548	14,128,260	11,586,369	12,331,316
Total	$ 17,950,480	$ 18,502,857	$ 16,000,731	$ 16,640,647

The Company is subject to credit risk in connection with its investments in loans. The two primary components of credit risk are default risk, which is the risk that a borrower fails to make scheduled principal and interest payments, and severity risk, which is the risk of loss upon a borrower default on a mortgage loan or other secured or unsecured loan. Severity risk includes the risk of loss of value of the property or other asset, if any, securing the loan, as well as the risk of loss associated with taking

over the property or other asset, if any, including foreclosure costs. Credit risk in the loan portfolio can be amplified by exogenous shocks impacting borrowers, such as man-made or natural disasters.

The following table provides details, by loan type, for residential and commercial mortgage and consumer loans that are 90 days or more past due as of September 30, 2026 and December 31, 2025:

	September 30, 2026		December 31, 2025	
(In thousands)	Unpaid Principal Balance	Fair Value	Unpaid Principal Balance	Fair Value
90 days or more past due—non-accrual status				
Residential mortgage loans	$ 245,868	$ 220,164	$ 276,604	$ 256,244
Commercial mortgage loans	57,114	52,811	64,770	64,050
Consumer loans	6	2	15	7

Residential Mortgage Loans

The tables below detail certain information regarding the Company's residential mortgage loans as of September 30, 2026 and December 31, 2025.

September 30, 2026:

				Gross Unrealized			Weighted Average		
($ in thousands)	Unpaid Principal Balance	Premium (Discount)	Amortized Cost	Gains	Losses	Fair Value	Coupon	Yield	Life (Years)[1]
Residential mortgage loans, held-for-investment[2]	$ 3,777,650	$ 48,601	$ 3,826,251	$ 5,673	$ (252,069)	$ 3,579,855	7.36 %	6.89 %	5.42

(1) Average lives of loans are generally shorter than stated contractual maturities. Average lives are affected by scheduled periodic payments of principal and unscheduled prepayments of principal.
(2) Includes $1.450 billion of non-QM loans and residential transition loans (or "RTL") that have been securitized and are held in consolidated securitization trusts. Such loans had $(200.0) million of gross unrealized losses. See Residential Mortgage Loan Securitizations in Note 13 for additional information.

December 31, 2025:

				Gross Unrealized			Weighted Average		
($ in thousands)	Unpaid Principal Balance	Premium (Discount)	Amortized Cost	Gains	Losses	Fair Value	Coupon	Yield	Life (Years)[1]
Residential mortgage loans, held-for-investment[2]	$ 3,739,813	$ 47,839	$ 3,787,652	$ 16,476	$ (161,034)	$ 3,643,094	7.18 %	5.68 %	4.50

(1) Average lives of loans are generally shorter than stated contractual maturities. Average lives are affected by scheduled periodic payments of principal and unscheduled prepayments of principal.
(2) Includes $1.547 billion of non-QM loans and RTL that have been securitized and are held in consolidated securitization trusts. Such loans had $(136.1) million of gross unrealized losses. See Residential Mortgage Loan Securitizations in Note 13 for additional information.

The table below summarizes the geographic distribution of the real estate collateral underlying the Company's residential mortgage loans as a percentage of total outstanding unpaid principal balance as of September 30, 2026 and December 31, 2025:

Property Location	September 30, 2026	December 31, 2025
North America:		
United States:		
California	25.0 %	25.5 %
Florida	16.0 %	17.1 %
Texas	9.8 %	9.1 %
Arizona	3.4 %	3.4 %
New Jersey	3.4 %	3.9 %
Washington	3.1 %	2.5 %
Utah	2.8 %	3.2 %
Tennessee	2.6 %	1.6 %
North Carolina	2.5 %	2.2 %
Georgia	2.3 %	2.6 %
South Carolina	2.3 %	1.7 %
New York	2.2 %	2.4 %
Pennsylvania	2.1 %	2.8 %
Illinois	2.1 %	2.1 %
Colorado	1.7 %	1.8 %
Oregon	1.7 %	1.8 %
Nevada	1.6 %	1.6 %
Massachusetts	1.4 %	1.6 %
Virginia	1.3 %	1.0 %
Idaho	1.1 %	— %
Connecticut	1.0 %	1.1 %
Ohio	1.0 %	1.1 %
Maryland	1.0 %	0.8 %
Other	7.7 %	8.1 %
	99.1 %	99.0 %
Europe:		
United Kingdom	0.9 %	1.0 %
	100.0 %	100.0 %

The following table presents information on the Company's non-performing and re-performing residential mortgage loans as of September 30, 2026 and December 31, 2025:

	September 30, 2026		December 31, 2025	
(In thousands)	Unpaid Principal Balance	Fair Value	Unpaid Principal Balance	Fair Value
Re-performing	$ 21,427	$ 19,745	$ 23,062	$ 22,1
Non-performing	235,199	210,077	266,485	246,5

As described in Note 2, the Company evaluates the cost basis of its residential mortgage loans for impairment on at least a quarterly basis.

As of September 30, 2026 and December 31, 2025, the Company had residential mortgage loans that were in the process of foreclosure with a fair value of $133.5 million and $133.3 million, respectively.

Commercial Mortgage Loans

The tables below detail certain information regarding the Company's commercial mortgage loans as of September 30, 2026 and December 31, 2025:

September 30, 2026:

($ in thousands)	Unpaid Principal Balance	Premium (Discount)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Coupon	Weighted Average Yield[1]	Weighted Average Life (Years)[2]
Commercial mortgage loans, held-for-investment	$ 750,557	$ (3,992)	$ 746,565	$ —	$ (546)	$ 746,019	8.78 %	8.91 %	1.22

(1) Excludes non-performing commercial mortgage loans, in non-accrual status, with a fair value of $52.8 million.
(2) Average lives of loans are generally shorter than stated contractual maturities. Average lives are affected by scheduled periodic payments of principal and unscheduled prepayments of principal.

December 31, 2025:

($ in thousands)	Unpaid Principal Balance	Premium (Discount)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Coupon	Weighted Average Yield[1]	Weighted Average Life (Years)[2]
Commercial mortgage loans, held-for-investment	$ 648,592	$ (7,646)	$ 640,946	$ 146	$ (380)	$ 640,712	9.30 %	9.15 %	1.18

(1) Excludes non-performing commercial mortgage loans, in non-accrual status, with a fair value of $64.1 million.
(2) Average lives of loans are generally shorter than stated contractual maturities. Average lives are affected by scheduled periodic payments of principal and unscheduled prepayments of principal.

The table below summarizes the geographic distribution of the real estate collateral underlying the Company's commercial mortgage loans as a percentage of total outstanding unpaid principal balance as of September 30, 2026 and December 31, 2025:

Property Location by U.S. State	September 30, 2026	December 31, 2025
Florida	29.0 %	24.3 %
New York	24.5 %	19.9 %
Texas	12.6 %	11.5 %
New Jersey	6.0 %	8.0 %
Kentucky	3.5 %	— %
Pennsylvania	3.4 %	2.2 %
Georgia	3.3 %	2.8 %
South Carolina	2.6 %	6.1 %
Illinois	2.3 %	3.8 %
Louisiana	1.6 %	2.7 %
Connecticut	1.5 %	1.8 %
North Carolina	1.5 %	1.8 %
Arkansas	1.3 %	— %
Washington	1.3 %	1.5 %
Mississippi	1.2 %	1.3 %
Virginia	1.1 %	4.4 %
Tennessee	1.0 %	1.0 %
Maryland	1.0 %	1.0 %
Michigan	— %	1.9 %
Colorado	— %	1.8 %
Other	1.3 %	2.2 %
	100.0 %	100.0 %

As of September 30, 2026, the Company had five non-performing commercial mortgage loans with an unpaid principal balance and fair value of $57.1 million and $52.8 million, respectively. As of December 31, 2025, the Company had seven non-

performing commercial mortgage loans with an unpaid principal balance and fair value of $64.8 million and $64.1 million, respectively.

As described in Note 2, the Company evaluates the cost basis of its commercial mortgage loans for impairment on at least a quarterly basis. As of September 30, 2026 and December 31, 2025, the expected future credit losses, which the Company tracks for purposes of calculating interest income, of $0.3 million and $0.4 million, respectively, related to adverse changes in estimated future cash flows on its commercial mortgage loans.

As of September 30, 2026, the Company had one commercial mortgage loan in the process of foreclosure; such loan had an unpaid principal balance and fair value of $11.5 million and $11.5 million, respectively. As of December 31, 2025, the Company did not have any commercial mortgage loans in the process of foreclosure.

Consumer Loans

The tables below detail certain information regarding the Company's consumer loans as of September 30, 2026 and December 31, 2025:

September 30, 2026:

				Gross Unrealized			Weighted Average	
($ in thousands)	Unpaid Principal Balance	Premium (Discount)	Amortized Cost	Gains	Losses	Fair Value	Life (Years)[1]	Delinquency (Days)
Consumer loans, held-for-investment	$ 96	$ 146	$ 242	$ 20	$ (180)	$ 82	0.82	11

(1) Average lives of loans are generally shorter than stated contractual maturities. Average lives are affected by scheduled periodic payments of principal and unscheduled prepayments of principal.

December 31, 2025:

				Gross Unrealized			Weighted Average	
($ in thousands)	Unpaid Principal Balance	Premium (Discount)	Amortized Cost	Gains	Losses	Fair Value	Life (Years)[1]	Delinquency (Days)
Consumer loans, held-for-investment	$ 190	$ 148	$ 338	$ 36	$ (215)	$ 159	0.89	14

(1) Average lives of loans are generally shorter than stated contractual maturities. Average lives are affected by scheduled periodic payments of principal and unscheduled prepayments of principal.

The table below provides details on the delinquency status as a percentage of total unpaid principal balance of the Company's consumer loans, which the Company uses as an indicator of credit quality, as of September 30, 2026 and December 31, 2025.

Days Past Due	September 30, 2026	December 31, 2025
Current	80.6 %	78.1 %
30-59 Days	5.2 %	9.5 %
60-89 Days	8.4 %	4.2 %
90-119 Days	5.8 %	8.2 %
	100.0 %	100.0 %

As described in Note 2, the Company evaluates the cost basis of its consumer loans for impairment on at least a quarterly basis. As of both September 30, 2026 and December 31, 2025, the Company had expected future credit losses, which it tracks for purposes of calculating interest income, of $0.2 million on its consumer loans. The Company has determined for certain of its consumer loans that a portion of such loans' cost basis is not collectible. For the nine-month periods ended September 30, 2026 and 2025, the Company recognized realized losses on these loans of $(21) thousand and $(23) thousand, respectively; no such losses were recognized for the three-month periods ended September 30, 2026 and 2025.

Corporate Loans

The tables below detail certain information regarding the Company's corporate loans as of September 30, 2026 and December 31, 2025:

September 30, 2026:

($ in thousands)	Unpaid Principal Balance	Premium (Discount)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Rate	Weighted Average Remaining Term (Years)
Corporate loans, held-for-investment[1]	$ 49,629	$ (1,351)	$ 48,278	$ 581	$ (218)	$ 48,641	11.02 %	2.02

(1) See Note 24 for further details on the Company's unfunded commitments related to certain of its corporate loans.

December 31, 2025:

($ in thousands)	Unpaid Principal Balance	Premium (Discount)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Weighted Average Rate	Weighted Average Remaining Term (Years)
Corporate loans, held-for-investment[1]	$ 25,767	$ (912)	$ 24,855	$ 511	$ —	$ 25,366	11.31 %	2.32

(1) See Note 24 for further details on the Company's unfunded commitments related to certain of its corporate loans.

Reverse Mortgage Loans

The tables below detail certain information regarding the Company's reverse mortgage loans as of September 30, 2026 and December 31, 2025.

September 30, 2026:

($ in thousands)	Unpaid Principal Balance	Fair Value	Weighted Average Coupon	Weighted Average Life (Years)
Reverse mortgage loans, held-for-investment				
HECM loans[1]	$ 10,888,245	$ 11,553,766	6.21 %	4.52
Proprietary reverse mortgage loans	2,484,303	2,574,494	9.60 %	19.18
Total reverse mortgage loans, held-for-investment	$ 13,372,548	$ 14,128,260	6.84 %	7.19

(1) Includes unpoolable HECM loans with an unpaid principal balance of $67.5 million.

December 31, 2025:

($ in thousands)	Unpaid Principal Balance	Fair Value	Weighted Average Coupon	Weighted Average Life (Years)
Reverse mortgage loans, held-for-investment				
HECM loans[1]	$ 10,081,026	$ 10,690,598	5.89 %	4.77
Proprietary reverse mortgage loans	1,505,343	1,640,718	9.56 %	15.99
Total reverse mortgage loans, held-for-investment	$ 11,586,369	$ 12,331,316	6.36 %	6.26

(1) Includes unpoolable HECM loans with an unpaid principal balance of $59.1 million.

During the three- and nine-month periods ended September 30, 2025, the Company transferred proprietary reverse mortgage loans held-for-sale with an unpaid principal balance of $379.3 million and $580.0 million, respectively, to held-for-investment.

Reverse mortgage loans are categorized as either "active" or "inactive." Inactive loans include loans where the borrower is deceased, no longer occupies the property, or is delinquent on tax and/or insurance payments; in addition, HECM loans may also be categorized as inactive as a result of various administrative or legal issues, such as missing loan documentation. Loans that are not inactive are categorized as "active."

The issuer of a HECM loan that has been pooled into an HMBS is required to repurchase such loan if its outstanding principal balance has reached 98% of its maximum claim amount (the "MCA"). The MCA for a loan is equal to the lesser of the home's appraised value or the maximum loan limit that can be insured by FHA, in each case at the point in time that the

conditional commitment is issued. The timing and amount of the Company's obligations with respect to MCA repurchases is uncertain, as repurchase is dependent largely on circumstances outside of the Company's control, including the amount and timing of future draws and the status of the loan.

HECM loans that have reached 98% of the MCA and have been repurchased from an HMBS pool ("HECM Buyout Loans") are categorized as either assignable buyout loans ("ABOs") when active, or non-assignable buyout loans ("NABOs") when inactive. ABOs may be assigned to the U.S. Department of Housing and Urban Development ("HUD"), which then reimburses the Company for the outstanding debt on the repurchased loan, up to the MCA. For NABOs, following resolution of the loan, the Company may file a claim with HUD for any recoverable remaining principal and advance balances. Any unsecuritized HECM loan that is inactive, or that has already reached 98% of its MCA, is "unpoolable"; i.e., it is not eligible for securitization into HMBS.

The following table provides details on the Company's unpoolable HECM loans as of September 30, 2026 and December 31, 2025:

(In thousands)	September 30, 2026		December 31, 2025	
Unpoolable HECM Loan Type	**Unpaid Principal Balance**	**Fair Value**	**Unpaid Principal Balance**	**Fair Value**
ABOs	$ 26,354	$ 25,166	$ 29,757	$ 28,468
NABOs	32,985	27,987	23,169	19,011
Other HECM loans[1]	8,111	8,121	6,142	6,149
Total unpoolable HECM loans	$ 67,450	$ 61,274	$ 59,068	$ 53,628

(1) Includes HECM tail loans where the borrower is not in compliance with the terms of the underlying loan.

As of September 30, 2026, the Company had $738.0 million in unpaid principal balance of inactive reverse mortgage loans, of which $623.1 million related to HECM loans and the remainder related to proprietary reverse mortgage loans. As of December 31, 2025, the Company had $520.1 million in unpaid principal balance of inactive reverse mortgage loans, of which $469.2 million related to HECM loans and the remainder related to proprietary reverse mortgage loans.

The table below summarizes the geographic distribution of the real estate collateral underlying the Company's reverse mortgage loans as a percentage of total outstanding unpaid principal balance, as of September 30, 2026 and December 31, 2025.

Property Location by U.S. State	**September 30, 2026**	**December 31, 2025**
California	30.2 %	29.9 %
Florida	8.9 %	8.9 %
Colorado	6.3 %	6.6 %
Arizona	5.9 %	6.2 %
Washington	5.1 %	5.2 %
Texas	4.9 %	4.9 %
Utah	4.7 %	4.9 %
New York	3.1 %	2.7 %
Oregon	2.7 %	2.8 %
Idaho	2.5 %	2.5 %
North Carolina	2.2 %	2.2 %
Massachusetts	2.2 %	2.2 %
Nevada	2.0 %	2.1 %
Georgia	1.7 %	1.7 %
Tennessee	1.6 %	1.6 %
New Jersey	1.6 %	1.4 %
South Carolina	1.4 %	1.4 %
Virginia	1.4 %	1.4 %
Ohio	1.2 %	1.3 %
Pennsylvania	1.0 %	1.0 %
Other	9.4 %	9.1 %
	100.0 %	100.0 %

6. Mortgage Servicing Rights

Certain of the reverse mortgage loans originated by the Company, through Longbridge, are ineligible for inclusion in HMBS, and are not guaranteed by the FHA ("Proprietary reverse mortgage loans"). Longbridge was party to a Sale and Servicing Agreement (the "Sale and Servicing Agreement") with a third party (the "Proprietary Loan Purchaser") whereby Longbridge originated reverse mortgage loans based on specific proprietary criteria and had committed to sell such loans to the Proprietary Loan Purchaser. Upon the sale of such loans to the Proprietary Loan Purchaser, Longbridge retained the rights and obligations of servicing such loans and an MSR asset was recorded.

Additionally, Longbridge has assumed the role as servicer for various private label securitization trusts collateralized by either proprietary reverse mortgage loans or HECM buyout loans. Longbridge was appointed servicer through the bankruptcy proceedings of the previous servicer, and Longbridge assumed the rights and obligations of servicing such loans.

As of September 30, 2026, the Company's Reverse MSRs related to underlying reverse mortgage loans with an aggregate unpaid principal balance of $2.6 billion, and the fair value of such Reverse MSRs was $30.3 million. As of December 31, 2025, the Company's Reverse MSRs related to underlying reverse mortgage loans with an aggregate unpaid principal balance of $2.7 billion, and the fair value of such Reverse MSRs was $28.9 million.

The fair value of the Company's MSRs is driven by the net cash flows associated with servicing activities, which include contractually specified servicing fees, late fees, and other ancillary servicing revenue. For the three-month periods ended September 30, 2026 and 2025, the Company recognized a gain (loss) related to its Reverse MSRs of $0.2 million and $(0.2) million, respectively. For the nine-month periods ended September 30, 2026 and 2025, the Company recognized a gain (loss) related to its Reverse MSRs of $1.4 million and $(0.7) million, respectively, which is included in Other, net, on the Consolidated Statement of Operations.

7. Forward MSR-related Investments

The Company does not hold the requisite licenses to purchase or hold MSRs on forward mortgage loans ("Forward MSRs") directly. The Company, through certain of its subsidiaries, is party to various agreements (the "Forward MSR Agreements") with a licensed, government-sponsored enterprise ("GSE") approved residential mortgage loan servicer (the "Forward MSR Master Servicer") that enable the Company to participate in the economic returns of a portfolio of Forward MSRs (the "Forward MSR-related investments"). Under the Forward MSR Agreements, MSRs are purchased by the Forward MSR Master Servicer (the "Underlying Forward MSRs") with funding obtained through financing transactions with the Company. Under the terms of the Forward MSR Agreements, for an MSR acquired by the Forward MSR Master Servicer, the Company: (i) purchases the excess servicing spread from the Forward MSR Master Servicer, which entitles the Company to monthly distributions of the servicing fees collected by the Forward MSR Master Servicer in excess of 12.5 basis points per annum (the "Excess Servicing Spread"), and (ii) enters into an agreement with the parent of the Forward MSR Master Servicer (the "Base MSR Counterparty") that references the Underlying Forward MSRs (the "Base MSR Agreement").

Pursuant to the Base MSR Agreement, the Company is entitled to receive an amount generally equivalent to the excess of servicing proceeds (which may include servicing fee revenue, income generated on escrow balances, and reimbursements for previously made servicing advances) over the sum of the Excess Servicing Spread and the actual costs of servicing (including amounts paid for servicing advances, master and subservicing fees, and other costs and expenses). To the extent that servicing proceeds are less than the sum of servicing costs and the Excess Servicing Spread (which would typically result from high levels of servicing advances), the Company is obligated to pay the equivalent of such deficit to the Base MSR Counterparty.

Upon a sale of any of the Underlying Forward MSRs, the Forward MSR Agreements also entitle the Company to distributions of the corresponding sale proceeds.

Under certain circumstances, the Company can direct the Forward MSR Master Servicer to finance all or some of the Underlying Forward MSRs, alongside other similar MSRs that the Forward MSR Master Servicer oversees on behalf of third parties unrelated to the Company. Proceeds from such financing are distributed to the Company and must be repaid by the Company upon repayment of corresponding financing by the Forward MSR Master Servicer. As of both September 30, 2026 and December 31, 2025, the fair value of the Forward MSR-related investments takes into account the Forward MSR Master Servicer's $93.5 million of outstanding borrowings for the benefit of the Company, which were secured by the Underlying Forward MSRs.

The Company has elected the FVO for its investments under the Forward MSR Agreements which are reflected in Forward MSR-related investments, at fair value, on the Consolidated Balance Sheet and the period change in fair value is recorded in current period earnings on the Consolidated Statement of Operations as a component of Other, net.

As of September 30, 2026 and December 31, 2025, the fair value of the Company's investments in Forward MSR-related investments was $74.4 million and $77.9 million, respectively. The following table presents activity related to the Company's investments in Forward MSR-related investments for the three- and nine-month periods ended September 30, 2026 and 2025.

	Three-Month Period Ended		Nine-Month Period Ended	
(In thousands)	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Forward MSR-related investments, at fair value, beginning balance	$ 75,901	$ 81,256	$ 77,852	$ 77,848
Distributions	(4,984)	(7,024)	(17,279)	(21,187)
Accretion of interest income	2,594	2,622	7,919	8,203
Change in unrealized gain (loss)	868	(2,160)	5,887	9,830
Forward MSR-related investments, at fair value, ending balance	$ 74,379	$ 74,694	$ 74,379	$ 74,694

8. Investments in Unconsolidated Entities

The Company has various equity investments in entities where it has the ability to exert significant influence over such entity, but does not control such entity. In these cases the criteria for consolidation have not been met and the Company is required to account for such investments under ASC 323-10; the Company has elected the FVO for its investments in unconsolidated entities. As of September 30, 2026 and December 31, 2025, the Company's investments in unconsolidated entities had an aggregate fair value of $384.6 million and $312.4 million, respectively, which is included on the Consolidated Balance Sheet in Investments in unconsolidated entities, at fair value. Certain of the entities that the Company accounts for under ASC 323-10 are deemed to be VIEs, and the maximum amount at risk is generally limited to the Company's investment in the VIE. As of September 30, 2026 and December 31, 2025, the fair value of the Company's investments in unconsolidated entities that have been deemed to be VIEs was $302.4 million and $240.2 million, respectively.

For the three-month periods ended September 30, 2026 and 2025, the Company recognized Earnings (losses) from investments in unconsolidated entities of $2.1 million and $13.1 million, respectively. For the nine-month periods ended September 30, 2026 and 2025, the Company recognized Earnings (losses) from investments in unconsolidated entities of $30.6 million and $38.4 million, respectively. Gains (losses) recognized from the Company's investments in unconsolidated entities are included in Earnings (losses) from investments in unconsolidated entities, on its Consolidated Statement of Operations.

The following table provides details about the Company's investments in unconsolidated entities as of September 30, 2026 and December 31, 2025:

		Percentage Ownership of Unconsolidated Entity	
Investment in Unconsolidated Entity[1]	**Form of Investment**	**September 30, 2026**	**December 31, 2025**
Loan Originators:			
LendSure Mortgage Corp.[2]	Common shares	63.1%	63.1%
Other[1]	Various	10.0%–50.0%	10.0%–50.0%
Co-investments with Ellington affiliates:			
Elizon DB 2015-1 LLC[3][4]	Membership Interest	33.4%	30.0%
Elizon NM CRE 2020-1 LLC[3][5]	Membership Interest	36.2%	16.8%
Elizon CH CRE 2021-1 LLC[3][6]	Membership Interest	24.3%	33.0%
Equity investments in securitization-related vehicles, including risk retention vehicles[7]	Membership Interest	24.6%–92.2%	24.6%–86.1%
Other:			
Other[3]	Various	21.0%–79.0%	12.5%–79.0%

(1) See Note 16 for additional details on the Company's related party transactions.

(2) As of September 30, 2026 and December 31, 2025, includes both voting and non-voting equity interests held by the Company. See Note 16 Related Party Transactions—*Transactions Involving Certain Loan Originators* for additional information.

(3) The Company has evaluated this entity and determined that it meets the definition of a VIE. The Company evaluated its interest in the VIE and determined that the Company does not have the power to direct the activities of the VIE and does not have control of the underlying assets, where applicable. As a result, the Company determined that it is not the primary beneficiary of this VIE and therefore has not consolidated the VIE.

(4) As discussed in Note 16 Related Party Transactions—*Participation in Multi-Borrower Financing Facilities*, the Company and the Affiliated Entities (as defined in Note 16) each consolidate their segregated silos of the Joint Entity (as defined in Note 16). The Company's effective percentage ownership, before the effects of consolidation of both its and the Affiliated Entities' respective segregated silos of the Joint Entity, was 65.6% and 65.1% as of September 30, 2026 and December 31, 2025, respectively.

(5) As discussed in Note 16 Related Party Transactions—*Participation in Multi-Borrower Financing Facilities*, the Company and the Affiliated Entities (as defined in Note 16) each consolidate their segregated silos of the Joint Entity (as defined in Note 16). The Company's effective percentage ownership, before the effects of consolidation of both its and the Affiliated Entities' respective segregated silos of the Joint Entity, was 68.9% and 78.1% as of September 30, 2026 and December 31, 2025, respectively.

(6) As discussed in Note 16 Related Party Transactions—*Participation in Multi-Borrower Financing Facilities*, the Company and the Affiliated Entities (as defined in Note 16) each consolidate their segregated silos of the Joint Entity (as defined in Note 16). The Company's effective percentage ownership, before the effects of consolidation of both its and the Affiliated Entities' respective segregated silos of the Joint Entity, was 75.4% and 68.6% as of September 30, 2026 and December 31, 2025, respectively.

(7) Includes interests in various risk retention vehicles, as discussed in Note 13. The Company evaluated its interest in each entity in accordance with ASC 810, and has determined that the Company does not control these entities. As a result, the Company has not consolidated these entities. See Note 13 for additional details on the Company's securitization transactions.

9. Real Estate Owned

As discussed in Note 2, the Company obtains possession of REO as a result of foreclosures on the associated mortgage loans. The following tables detail activity in the Company's carrying value of REO for the three- and nine-month periods ended September 30, 2026 and 2025:

	Three-Month Periods Ended			
	September 30, 2026		September 30, 2025	
	Number of Properties	Carrying Value	Number of Properties	Carrying Value
		(In thousands)		*(In thousands)*
Beginning Balance	190	$ 81,042	129	$ 48,821
Transfers from mortgage loans	87	35,070	64	18,207
Capital expenditures and other adjustments to cost		358		378
Adjustments to record at the lower of cost or fair value		(4,068)		794
Dispositions	(35)	(10,675)	(47)	(16,117)
Ending Balance	242	$ 101,727	146	$ 52,083

	Nine-Month Periods Ended			
	September 30, 2026		September 30, 2025	
	Number of Properties	Carrying Value	Number of Properties	Carrying Value
		(In thousands)		*(In thousands)*
Beginning Balance	177	$ 75,548	117	$ 46,661
Transfers from mortgage loans	209	99,029	159	65,298
Capital expenditures and other adjustments to cost		1,088		450
Adjustments to record at the lower of cost or fair value		(3,956)		(3,681)
Dispositions	(144)	(69,982)	(130)	(56,645)
Ending Balance	242	$ 101,727	146	$ 52,083

During the three-month period ended September 30, 2026, the Company sold 35 REO properties, realizing a net gain (loss) of approximately $(1.5) million. During the three-month period ended September 30, 2025, the Company sold 47 REO properties, realizing a net gain (loss) of approximately $(3.4) million. During the nine-month period ended September 30, 2026, the Company sold 144 REO properties, realizing a net gain (loss) of approximately $(11.7) million. During the nine-month period ended September 30, 2025, the Company sold 130 REO properties, realizing a net gain (loss) of approximately $(5.7) million. Such realized gains (losses) are included in Realized gains (losses) on real estate owned, net, on the Company's Consolidated Statement of Operations. As of both September 30, 2026 and December 31, 2025, the Company's REO had primarily been obtained as a result of obtaining physical possession through foreclosure. Of the Company's total REO holdings, $67.2 million and $41.7 million were measured at fair value on a non-recurring basis as of September 30, 2026 and December 31, 2025, respectively.

10. Financial Derivatives

The Company is exposed to certain risks arising from both its business operations and economic conditions. The Company manages certain risks associated with its investments and borrowings, including interest rate, credit, liquidity, and foreign exchange rate risk primarily by managing the amount, sources, and duration of its investments and borrowings, and through the use of derivative financial instruments. The Company's derivative financial instruments are used to manage differences in the amount, timing, and duration of its known or expected cash receipts and its known or expected cash payments principally related to its investments and borrowings. Subject to maintaining its qualification as a REIT, the Company may also use derivative financial instruments for speculative purposes.

The following table details the fair value of the Company's holdings of financial derivatives as of September 30, 2026 and December 31, 2025:

(In thousands)	September 30, 2026	December 31, 2025
Financial derivatives–assets, at fair value:		
TBA securities purchase contracts	$ —	$ 87
TBA securities sale contracts	10,014	170
Fixed payer interest rate swaps	298,572	76,670
Fixed receiver interest rate swaps	681	52,228
Credit default swaps on asset-backed indices	1,327	2,206
Credit default swaps on corporate bond indices	21,467	4,621
Options	7,175	5,607
Futures	6,474	1,095
Forwards	750	14
Total return swaps	101	24
Warrants	1	1
Total financial derivatives–assets, at fair value	346,562	142,723
Financial derivatives–liabilities, at fair value:		
TBA securities purchase contracts	(1,205)	(54)
TBA securities sale contracts	—	(544)
Fixed payer interest rate swaps	(181)	(13,411)
Fixed receiver interest rate swaps	(173,961)	(13,386)
Credit default swaps on asset-backed securities	(2)	(2)
Credit default swaps on corporate bonds	(87)	(155)
Credit default swaps on corporate bond indices	(19,313)	(25,407)
Options	(570)	—
Futures	—	(45)
Forwards	—	(69)
Total financial derivatives–liabilities, at fair value	(195,319)	(53,073)
Total	$ 151,243	$ 89,650

Interest Rate Swaps

The following tables provide information about the Company's fixed payer interest rate swaps as of September 30, 2026 and December 31, 2025:

September 30, 2026:

Maturity	Notional Amount	Fair Value	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Remaining Years to Maturity
	(In thousands)				
2026	$ 25,850	$ (38)	3.92 %	3.90 %	0.09
2027	2,956,511	36,524	3.40	3.90	0.97
2028	3,549,103	44,427	3.93	3.86	1.73
2029	172,786	8,496	2.97	3.90	2.85
2030	552,019	30,680	3.30	3.90	3.93
2031	737,814	36,161	3.65	3.81	4.74
2032	162,148	16,795	2.82	3.90	5.84
2033	280,668	24,176	3.32	3.90	6.52
2034	51,656	4,992	3.38	3.90	7.91
2035	176,608	12,514	3.71	3.90	8.84
2036	613,294	24,513	4.37	3.58	9.84
2037	35,000	6,843	2.61	3.90	10.87
2039	11,322	1,194	3.85	3.90	12.94
2040	77,873	7,740	3.97	3.90	13.64
2041	198,754	12,566	4.39	3.75	14.79
2045	12,500	1,448	4.07	3.90	18.55
2050	500	292	0.98	3.88	24.07
2053	2,780	701	3.32	3.90	27.24
2054	1,095	203	3.76	3.90	28.23
2055	103,640	15,646	3.99	3.90	28.94
2056	147,590	12,518	4.42	3.87	29.78
Total	$ 9,869,511	$ 298,391	3.70 %	3.85 %	3.87

December 31, 2025:

Maturity	Notional Amount	Fair Value	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Remaining Years to Maturity
	(In thousands)				
2026	$ 288,763	$ (207)	3.78 %	3.87 %	0.70
2027	4,582,588	(920)	3.48	3.87	1.66
2028	483,753	3,341	3.22	3.87	2.56
2029	248,214	2,879	3.09	3.87	3.65
2030	779,845	4,879	3.34	3.87	4.69
2031	157,766	17,798	1.51	3.87	5.45
2032	173,815	8,916	2.80	3.87	6.57
2033	240,259	8,205	3.20	3.87	7.23
2034	235,312	6,594	3.35	3.87	8.72
2035	664,582	1,524	3.75	3.87	9.59
2036	1,102	273	1.19	3.87	10.13
2037	45,000	4,753	2.81	3.87	11.66
2038	32,500	(258)	4.01	3.87	12.67
2039	11,322	173	3.85	3.87	13.69
2040	125,645	658	3.98	3.87	14.51
2045	12,500	115	4.07	3.87	19.30
2050	500	248	0.98	3.64	24.82
2053	2,780	388	3.32	3.87	27.99
2054	3,874	223	3.81	3.87	28.99
2055	133,654	3,677	3.99	3.87	29.69
Total	$ 8,223,774	$ 63,259	3.42 %	3.87 %	4.03

The following tables provide information about the Company's fixed receiver interest rate swaps as of September 30, 2026 and December 31, 2025:

September 30, 2026:

Maturity	Notional Amount	Fair Value	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Remaining Years to Maturity
	(In thousands)				
2026	$ 3,684	$ 7	3.90 %	3.97 %	0.10
2027	1,085,819	(8,891)	3.90	3.84	0.94
2028	2,126,311	(25,346)	3.90	4.03	1.85
2029	533,084	(3,647)	3.90	4.39	2.59
2030	581,794	(20,183)	3.90	3.78	3.87
2031	628,896	(21,884)	3.76	3.96	4.70
2032	50,756	(2,967)	3.90	3.24	5.97
2033	182,410	(7,164)	3.90	4.13	7.07
2034	28,103	(1,496)	3.90	3.98	7.55
2035	313,139	(19,465)	3.90	3.90	8.59
2036	454,937	(25,348)	3.90	4.16	9.69
2038	17,270	(2,263)	3.90	3.54	12.23
2040	39,332	(4,201)	3.90	3.92	13.87
2041	156,744	(10,954)	3.90	4.32	14.70
2050	500	(301)	3.90	0.90	24.07
2053	9,111	(2,289)	3.90	3.33	27.24
2054	7,004	(1,427)	3.90	3.65	28.12
2055	46,623	(6,777)	3.90	4.02	29.15
2056	111,383	(8,684)	3.90	4.46	29.79
Total	$ 6,376,900	$ (173,280)	3.89 %	4.01 %	4.49

December 31, 2025:

Maturity	Notional Amount	Fair Value	Weighted Average Pay Rate	Weighted Average Receive Rate	Weighted Average Remaining Years to Maturity
	(In thousands)				
2026	$ 409,789	$ 2,109	3.87 %	4.75 %	0.18
2027	2,198,911	1,264	3.87	3.44	1.77
2028	667,324	8,294	3.87	3.82	2.74
2029	477,084	15,486	3.87	4.37	3.29
2030	775,880	8,178	3.87	3.72	4.56
2031	5,485	(117)	3.87	3.14	5.72
2032	80,390	(1,051)	3.87	3.38	6.73
2033	172,564	6,043	3.87	4.15	7.86
2034	163,483	1,485	3.87	3.84	8.54
2035	865,242	3,483	3.87	3.83	9.43
2038	29,938	(1,251)	3.87	3.54	12.98
2039	5,637	(139)	3.87	3.76	13.19
2040	105,198	(1,551)	3.87	3.90	14.66
2050	500	(258)	3.87	0.90	24.82
2053	9,111	(1,263)	3.87	3.33	27.99
2054	7,004	(606)	3.87	3.65	28.87
2055	82,955	(1,264)	3.87	4.06	29.89
Total	$ 6,056,495	$ 38,842	3.87 %	3.78 %	4.51

Credit Default Swaps

The following table provides information about the Company's credit default swaps as of September 30, 2026 and December 31, 2025:

Type[1]	September 30, 2026 Notional	September 30, 2026 Fair Value	September 30, 2026 Weighted Average Remaining Term (Years)	December 31, 2025 Notional	December 31, 2025 Fair Value	December 31, 2025 Weighted Average Remaining Term (Years)
($ in thousands)						
Asset:						
Long:						
Credit default swaps on asset-backed indices	$ 170	$ 16	11.24	$ 190	$ 9	11.99
Credit default swaps on corporate bond indices	468,225	21,467	4.14	165,010	4,621	3.69
Short:						
Credit default swaps on asset-backed indices	(9,147)	1,311	34.69	(26,693)	2,197	33.05
Liability:						
Short:						
Credit default swaps on asset-backed securities	(45)	(2)	8.99	(46)	(2)	9.74
Credit default swaps on corporate bonds	(13,000)	(87)	0.72	(13,000)	(155)	1.47
Credit default swaps on corporate bond indices	(748,175)	(19,313)	4.35	(1,034,704)	(25,407)	4.76
	$ (301,972)	$ 3,392	4.46	$ (909,243)	$ (18,737)	5.74

(1) Long notional represents contracts where the Company has written protection and short notional represents contracts where the Company has purchased protection.

Futures

The following table provides information about the Company's long and short positions in futures as of September 30, 2026 and December 31, 2025:

Description	September 30, 2026 Notional Amount	September 30, 2026 Fair Value	September 30, 2026 Remaining Months to Expiration	December 31, 2025 Notional Amount	December 31, 2025 Fair Value	December 31, 2025 Remaining Months to Expiration
	(In thousands)			*(In thousands)*		
Assets:						
Short Contracts:						
U.S. Treasury futures	$ (245,100)	$ 6,474	2.77	$ (207,400)	$ 1,095	2.64
Liabilities:						
Long Contracts:						
U.S. Treasury futures	—	—	—	1,900	(35)	2.63
Short Contracts:						
U.S. Treasury futures	—	—	—	(49,800)	(10)	3.00
Total, net	$ (245,100)	$ 6,474	2.77	$ (255,300)	$ 1,050	2.71

TBAs

The Company transacts in the forward settling TBA market. Pursuant to these TBA transactions, the Company agrees to purchase or sell, for future delivery, Agency RMBS with certain principal and interest terms and certain types of underlying collateral, but the particular Agency RMBS to be delivered is not identified until shortly before the TBA settlement date. TBAs are generally liquid, have quoted market prices, and represent the most actively traded class of MBS. The Company uses TBAs to mitigate interest rate risk, usually by taking short positions. The Company also invests in TBAs as a means of acquiring additional exposure to Agency RMBS, or for investment purposes, including holding long positions. The Company does not usually take delivery of TBAs; rather, it settles the associated receivable and payable with its trading counterparties on a net basis. Transactions with the same counterparty for the same TBA that result in a reduction of the position are treated as extinguished.

As of September 30, 2026 and December 31, 2025, the Company had outstanding TBA purchase and sale contracts as follows:

TBA Securities	September 30, 2026 Notional Amount[1]	September 30, 2026 Cost Basis[2]	September 30, 2026 Market Value[3]	September 30, 2026 Net Carrying Value[4]	December 31, 2025 Notional Amount[1]	December 31, 2025 Cost Basis[2]	December 31, 2025 Market Value[3]	December 31, 2025 Net Carrying Value[4]
(In thousands)								
Purchase contracts:								
Assets	$ —	$ —	$ —	$ —	$ 25,044	$ 23,572	$ 23,659	$ 87
Liabilities	56,416	50,559	49,354	(1,205)	64,444	61,685	61,631	(54)
	56,416	50,559	49,354	(1,205)	89,488	85,257	85,290	33
Sale contracts:								
Assets	(405,073)	(385,473)	(375,459)	10,014	(122,997)	(117,545)	(117,375)	170
Liabilities	—	—	—	—	(205,377)	(206,488)	(207,032)	(544)
	(405,073)	(385,473)	(375,459)	10,014	(328,374)	(324,033)	(324,407)	(374)
Total TBA securities, net	$ (348,657)	$ (334,914)	$ (326,105)	$ 8,809	$ (238,886)	$ (238,776)	$ (239,117)	$ (341)

(1) Notional amount represents the principal balance of the underlying Agency RMBS.
(2) Cost basis represents the forward price to be paid (received) for the underlying Agency RMBS.
(3) Market value represents the current market value of the underlying Agency RMBS (on a forward delivery basis) as of period end.
(4) Net carrying value represents the difference between the market value of the TBA contract as of period end and the cost basis, and is reported in Financial derivatives-assets, at fair value and Financial derivatives-liabilities, at fair value on the Consolidated Balance Sheet.

Options

The following tables provide information about the Company's options contracts as of September 30, 2026 and December 31, 2025:

Type	September 30, 2026			December 31, 2025		
	Notional Amount	Fair Value	Months to Expiration	Notional Amount	Fair Value	Months to Expiration
	(In thousands)			*(In thousands)*		
Long put options on listed indices	$ 10,606	$ 7,175	6.05	$ 8,575	$ 5,607	7.20
Short put options on listed indices	(4,139)	(570)	2.67	—	—	—
Total put options	$ 6,467	$ 6,605	5.10	$ 8,575	$ 5,607	7.20

Gains and losses on the Company's derivative contracts for the three- and nine-month periods ended September 30, 2026 and 2025 are summarized in the tables below:

Derivative Type	Primary Risk Exposure	Three-Month Period Ended September 30, 2026					
		Net Realized Gains (Losses) on Periodic Settlements of Interest Rate Swaps	Net Realized Gains (Losses) on Financial Derivatives Other Than Periodic Settlements of Interest Rate Swaps	Net Realized Gains (Losses) on Financial Derivatives	Change in Net Unrealized Gains (Losses) on Accrued Periodic Settlements of Interest Rate Swaps	Change in Net Unrealized Gains (Losses) on Financial Derivatives Other Than on Accrued Periodic Settlements of Interest Rate Swaps	Change in Net Unrealized Gains (Losses) on Financial Derivatives[1]
(In thousands)							
Interest rate swaps	Interest Rate	$ 10,795	$ 10,936	$ 21,731	$ (4,527)	$ 18,343	$ 13,816
Credit default swaps on asset-backed indices	Credit		(66)	(66)		199	199
Credit default swaps on corporate bond indices	Credit		(2,326)	(2,326)		1,178	1,178
Credit default swaps on corporate bonds	Credit		(33)	(33)		24	24
TBAs	Interest Rate		5,651	5,651		10,576	10,576
Futures	Interest Rate		10,432	10,432		7,154	7,154
Forwards	Currency		(355)	(355)		470	470
Total return swaps	Credit		386	386		38	38
Options	Credit		(126)	(126)		(392)	(392)
Warrants	Credit		—	—		(2)	(2)
Total		$ 10,795	$ 24,499	$ 35,294	$ (4,527)	$ 37,588	$ 33,061

(1) Includes foreign currency remeasurement on financial derivatives in the amount of $10 thousand, which is included on the Consolidated Statement of Operations in Other, net.

Derivative Type	Primary Risk Exposure	Three-Month Period Ended September 30, 2025: Net Realized Gains (Losses) on Periodic Settlements of Interest Rate Swaps	Net Realized Gains (Losses) on Financial Derivatives Other Than Periodic Settlements of Interest Rate Swaps	Net Realized Gains (Losses) on Financial Derivatives	Change in Net Unrealized Gains (Losses) on Accrued Periodic Settlements of Interest Rate Swaps	Change in Net Unrealized Gains (Losses) on Financial Derivatives Other Than on Accrued Periodic Settlements of Interest Rate Swaps	Change in Net Unrealized Gains (Losses) on Financial Derivatives
(In thousands)							
Interest rate swaps	Interest Rate	$ 15,657	$ (2,193)	$ 13,464	$ (5,736)	$ (7,332)	$ (13,068)
Credit default swaps on asset-backed indices	Credit		(157)	(157)		(219)	(219)
Credit default swaps on corporate bond indices	Credit		(12,614)	(12,614)		7,499	7,499
Credit default swaps on corporate bonds	Credit		(33)	(33)		11	11
TBAs	Interest Rate		(2,759)	(2,759)		138	138
Futures	Interest Rate		(5,051)	(5,051)		3,583	3,583
Forwards	Currency		(120)	(120)		325	325
Total return swaps	Credit		—	—		13	13
Options	Credit		(1,065)	(1,065)		(1,479)	(1,479)
Total		$ 15,657	$ (23,992)	$ (8,335)	$ (5,736)	$ 2,539	$ (3,197)

Derivative Type	Primary Risk Exposure	Nine-Month Period Ended September 30, 2026: Net Realized Gains (Losses) on Periodic Settlements of Interest Rate Swaps	Net Realized Gains (Losses) on Financial Derivatives Other Than Periodic Settlements of Interest Rate Swaps	Net Realized Gains (Losses) on Financial Derivatives	Change in Net Unrealized Gains (Losses) on Accrued Periodic Settlements of Interest Rate Swaps	Change in Net Unrealized Gains (Losses) on Financial Derivatives Other Than on Accrued Periodic Settlements of Interest Rate Swaps	Change in Net Unrealized Gains (Losses) on Financial Derivatives[1]
(In thousands)							
Interest rate swaps	Interest Rate	$ 25,901	$ 11,090	$ 36,991	$ (6,619)	$ 33,300	$ 26,681
Credit default swaps on asset-backed indices	Credit		320	320		(445)	(445)
Credit default swaps on asset-backed securities	Credit		1	1		—	—
Credit default swaps on corporate bond indices	Credit		(3,316)	(3,316)		135	135
Credit default swaps on corporate bonds	Credit		(99)	(99)		68	68
TBAs	Interest Rate		15,194	15,194		9,150	9,150
Futures	Interest Rate		18,468	18,468		5,424	5,424
Forwards	Currency		146	146		806	806
Total return swaps	Credit		534	534		77	77
Options	Credit		(8,787)	(8,787)		2,679	2,679
Total		$ 25,901	$ 33,551	$ 59,452	$ (6,619)	$ 51,194	$ 44,575

(1) Includes foreign currency remeasurement on financial derivatives in the amount of $10 thousand, which is included on the Consolidated Statement of Operations in Other, net.

Derivative Type	Primary Risk Exposure	Nine-Month Period Ended September 30, 2025: Net Realized Gains (Losses) on Periodic Settlements of Interest Rate Swaps	Net Realized Gains (Losses) on Financial Derivatives Other Than Periodic Settlements of Interest Rate Swaps	Net Realized Gains (Losses) on Financial Derivatives	Change in Net Unrealized Gains (Losses) on Accrued Periodic Settlements of Interest Rate Swaps	Change in Net Unrealized Gains (Losses) on Financial Derivatives Other Than on Accrued Periodic Settlements of Interest Rate Swaps	Change in Net Unrealized Gains (Losses) on Financial Derivatives
(In thousands)							
Interest rate swaps	Interest Rate	$ 33,196	$ (1,356)	$ 31,840	$ (5,556)	$ (45,869)	$ (51,425)
Credit default swaps on asset-backed indices	Credit		(115)	(115)		134	134
Credit default swaps on corporate bond indices	Credit		(18,175)	(18,175)		1,258	1,258
Credit default swaps on corporate bonds	Credit		26	26		(74)	(74)
TBAs	Interest Rate		(2,973)	(2,973)		(1,280)	(1,280)
Futures	Interest Rate		(5,190)	(5,190)		1,034	1,034
Forwards	Currency		(1,561)	(1,561)		(261)	(261)
Total return swaps	Credit		—	—		13	13
Warrants	Credit		—	—		(8)	(8)
Options	Credit		(1,065)	(1,065)		(5,311)	(5,311)
Total		$ 33,196	$ (30,409)	$ 2,787	$ (5,556)	$ (50,364)	$ (55,920)

The table below details the average notional values of the Company's financial derivatives, using absolute value of month end notional values, for the nine-month period ended September 30, 2026 and the year ended December 31, 2025:

Derivative Type	Nine-Month Period Ended September 30, 2026	Year Ended December 31, 2025
	(In thousands)	
Interest rate swaps	$ 15,438,714	$ 11,501,990
Credit default swaps	996,845	1,164,093
TBAs	655,298	401,288
Futures	258,470	213,100
Forwards	36,668	22,082
Options	8,660	6,382
Total return swaps	8,261	428
Warrants	112	105

From time to time the Company enters into credit derivative contracts for which the Company sells credit protection ("written credit derivatives"). As of September 30, 2026 and December 31, 2025, all of the Company's open written credit derivatives were credit default swaps on either mortgage/asset-backed indices (CMBX and ABX indices) or corporate bond indices (CDX), collectively referred to as credit indices, or on individual corporate bonds, for which the Company receives periodic payments at fixed rates from credit protection buyers, and is obligated to make payments to the credit protection buyer upon the occurrence of a "credit event" with respect to underlying reference assets.

Written credit derivatives held by the Company at September 30, 2026 and December 31, 2025 are summarized below:

Credit Derivatives	September 30, 2026	December 31, 2025
(In thousands)		
Fair Value of Written Credit Derivatives, Net	$ 21,483	$ 4,630
Notional Value of Written Credit Derivatives[1]	468,395	165,200

(1) The notional value is the maximum amount that a seller of credit protection would be obligated to pay, and a buyer of credit protection would receive, upon occurrence of a "credit event." Movements in the value of credit default swap transactions may require the Company or the counterparty to post or receive collateral. Amounts due or owed under credit derivative contracts with an International Swaps and Derivatives Association ("ISDA") counterparty may be offset against amounts due or owed on other credit derivative contracts with the same ISDA counterparty. As a result, the notional value of written credit derivatives involving a particular underlying reference asset or index has been reduced (but not below zero) by the notional value of any contracts where the Company has purchased credit protection on the same reference asset or index with the same ISDA counterparty.

A credit default swap on a credit index or a corporate bond typically terminates at the stated maturity date in the case of corporate indices or bonds, or, in the case of ABX and CMBX indices, the date that all of the reference assets underlying the index are paid off in full, retired, or otherwise cease to exist. Implied credit spreads may be used to determine the market value of such contracts and are reflective of the cost of buying/selling credit protection. Higher spreads would indicate a greater likelihood that a seller will be obligated to perform (*i.e.*, make protection payments) under the contract. In situations where the credit quality of the underlying reference assets has deteriorated, the percentage of notional values that would be paid up front to enter into a new such contract ("points up front") is frequently used as an indication of credit risk. Credit protection sellers entering the market in such situations would expect to be paid points up front corresponding to the approximate fair value of the contract. As of September 30, 2026, the implied credit spreads on the Company's outstanding written credit derivatives ranged from 47 to 328 basis points as compared to 50 to 316 basis points as of December 31, 2025. Total net up-front payments (paid) or received relating to written credit derivatives outstanding as of September 30, 2026 and December 31, 2025 was $24.5 million and $4.6 million, respectively.

11. Other Assets

The following table provides additional details of the Company's assets included in Other assets on the Consolidated Balance Sheet at September 30, 2026 and December 31, 2025.

Other Assets	September 30, 2026	December 31, 2025
	(In thousands)	
Accounts receivable	$ 10,715	$ 7,449
Prepaid expenses, advances, and deferred offering costs	8,178	6,804
Prepaid scheduled draws on reverse mortgage loans and amounts due from sub-servicer	5,262	3,620
Intangible assets	4,520	1,786
Leases—right of use assets[1]	3,742	3,992
Certificates of deposit, security deposits, and escrow cash	1,663	853
Property and equipment[3]	2,084	868
Receivables and claims related to reverse mortgage loans[2]	529	1,074
	$ 36,693	$ 26,446

(1) See Note 24 for additional details on the Company's leases and ROU assets.
(2) Includes receivables from third parties and claims to HUD. See Note 13, Issuance of HMBS for discussion on the maximum claim amount related to reverse mortgage loans in HMBS.
(3) Net of accumulated depreciation.

The Company has identified and recognized various intangible assets acquired in connection with certain business combinations. The following table details the Company's intangible assets as of September 30, 2026 and December 31, 2025.

	September 30, 2026				December 31, 2025			
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Useful Life	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Useful Life
		(In thousands)		*(In months)*		*(In thousands)*		*(In months)*
Intangible Asset:								
Internally developed software	$ 1,890	$ —	$ 1,890	50	$ —	$ —	$ —	n/a
Trademarks/trade names	1,200	—	1,200	Indefinite	1,200	—	1,200	Indefinite
Customer relationships	700	(140)	560	240	700	(114)	586	240
Favorable Contract Terms	582	—	582	18	—	—	—	n/a
Contract Asset	288		288	60	—	—	—	n/a
Total identified intangible assets	$ 4,660	$ (140)	$ 4,520		$ 1,900	$ (114)	$ 1,786	

The following table summarizes changes in the net carrying value of the Company's intangible assets for the three- and nine-month periods ended September 30, 2026 and 2025.

	Three-Month Period Ended September 30, 2026					
(In thousands)	Internally Developed Software	Trademarks/Trade Names	Customer Relationships	Favorable Contract Terms	Contract Asset	Total
Net carrying value of intangible assets —Beginning Balance	$ —	$ 1,200	$ 569	$ —	$ —	$ 1,769
Intangible assets acquired	1,890	—	—	582	288	2,760
Accumulated Amortization	—	—	(9)	—	—	(9)
Net carrying value of intangible assets —Ending Balance	$ 1,890	$ 1,200	$ 560	$ 582	$ 288	$ 4,520

	Three-Month Period Ended September 30, 2025			
(In thousands)	Internally Developed Software	Trademarks/Trade Names	Customer Relationships	Total
Net carrying value of intangible assets —Beginning Balance	$ 116	$ 1,200	$ 604	$ 1,920
Accumulated Amortization	(116)	—	(9)	(125)
Net carrying value of intangible assets —Ending Balance	$ —	$ 1,200	$ 595	$ 1,795

	Nine-Month Period Ended September 30, 2026					
(In thousands)	Internally Developed Software	Trademarks/Trade Names	Customer Relationships	Favorable Contract	Contract Asset	Total
Net carrying value of intangible assets —Beginning Balance	$ —	$ 1,200	$ 586	$ —	$ —	$ 1,786
Intangible assets acquired	1,890	—	—	582	288	2,760
Accumulated Amortization	—	—	(26)	—	—	(26)
Net carrying value of intangible assets —Ending Balance	$ 1,890	$ 1,200	$ 560	$ 582	$ 288	$ 4,520

(In thousands)	Nine-Month Period Ended September 30, 2025			
	Internally Developed Software	Trademarks/Trade Names	Customer Relationships	Total
Net carrying value of intangible assets —Beginning Balance	$ 350	$ 1,200	$ 621	$ 2,171
Accumulated Amortization	(350)	—	(26)	(376)
Net carrying value of intangible assets —Ending Balance	$ —	$ 1,200	$ 595	$ 1,795

The following table summarizes the Company's estimated future amortization expense on its intangible assets.

	September 30, 2026
	(In thousands)
2026	$ 308
2027	934
2028	611
2029	546
2030	471
Thereafter	450
Total	$ 3,320

12. Consolidated VIEs

As discussed in Note 2, the Company has interests in entities that it has determined to be VIEs. The following table summarizes the assets and liabilities of the Company's consolidated VIEs that are included on the Company's Consolidated Balance Sheet as of September 30, 2026 and December 31, 2025. See Note 13 and Note 16 for additional information on the Company's consolidated VIEs.

(In thousands)	September 30, 2026	December 31, 2025
Assets		
Cash and cash equivalents	$ 778	$ 603
Restricted cash	32,949	134,685
Securities, at fair value	51,308	53,087
Loans, at fair value	6,361,301	5,614,700
Forward MSR-related investments, at fair value	26,994	30,691
Investments in unconsolidated entities, at fair value	133,167	101,112
Real estate owned	78,560	54,571
Investment related receivables	62,399	46,519
Other assets	12	3,071
Total Assets	$ 6,747,468	$ 6,039,039
Liabilities		
Repurchase agreements	$ 1,912,853	$ 1,819,906
Other secured borrowings	133,572	29,220
Other secured borrowings, at fair value	3,273,346	2,945,578
Interest payable	8,387	6,386
Accrued expenses and other liabilities	1,851	2,427
Total Liabilities	5,330,009	4,803,517
Total Stockholders' Equity	1,399,886	1,214,765
Non-controlling interests	17,573	20,757
Total Equity	1,417,459	1,235,522
Total Liabilities and Equity	$ 6,747,468	$ 6,039,039

13. Securitization Transactions

Participation in CLO Transactions

An affiliate of Ellington sponsored four CLO securitization transactions (the "Ellington-sponsored CLO Securitizations"), collateralized by corporate loans and managed by an affiliate of Ellington (the "CLO Manager"). Ellington, the Company, several other affiliates of Ellington, and in certain cases, third parties, participated in the Ellington-sponsored CLO Securitizations (collectively, the "CLO Co-Participants").

Pursuant to each Ellington-sponsored CLO Securitization, a newly formed securitization trust (each a "CLO Issuer") issued various classes of notes, which were in turn sold to unrelated third parties and the applicable CLO Co-Participants. The CLO Issuers are each deemed to be a VIE. The Company evaluates its interests in the CLO Issuers under ASC 810, and while the Company retains credit risk in each of the securitization trusts through its beneficial ownership of a portion of the subordinated interests of each of the securitization trusts, which are the first to absorb credit losses on the securitized assets, the Company does not retain control of these assets or the power to direct the activities of the CLO Issuers that most significantly impact the CLO Issuers' economic performance. As a result, the Company determined that it is not the primary beneficiary of the CLO Issuers, and therefore the Company has not consolidated the CLO Issuers. The Company's maximum amount at risk is limited to the Company's investment in each of the CLO Issuers. As of September 30, 2026 and December 31, 2025, the fair value of the Company's investment in the notes issued by the CLO Issuers was $1.1 million and $2.0 million, respectively. See Note 16 for further details on the Company's participation in CLO transactions.

Residential Mortgage Loan Securitizations—Non-QM, Closed-End Second Lien ("CES"), and Agency-eligible Loans

The Company has participated in securitizations of non-QM loans (each, a "non-QM securitization"), CES loans (each, a "CES securitization") and Agency-eligible loans (each, an "AE securitization"). In each case, the applicable sponsor of such securitization (the "Sponsor") transferred a pool of loans (each, a "Collateral Pool") to a wholly-owned subsidiary of such Sponsor (each, a "Depositor"), and on the closing date such Collateral Pool was deposited into a newly created securitization trust (such trusts collectively, the "Issuing Entities"). Pursuant to the securitizations, the Issuing Entities issued various classes of mortgage pass-through certificates (the "Certificates") which are backed by the cash flows from the underlying loans.

For the non-QM securitizations in which the Company participated between November 2019 and July 2022, the Sponsor and the Depositor are wholly-owned subsidiaries of the Company. The Company has subsequently participated in non-QM and CES loan securitizations with other entities managed by Ellington (each a "Securitization Co-Participant"), and in such cases the Sponsor and the Depositor are not subsidiaries of the Company.

Under the Dodd-Frank Act, sponsors of securitizations are generally required to retain at least 5% of the economic interest in the credit risk of the securitized assets (the "Risk Retention Rules"). Securitizations of "qualified mortgage loans" (as defined under the rules of the Consumer Financial Protection Bureau) are generally not subject to the Risk Retention Rules. In order to comply with the Risk Retention Rules, in each non-QM securitization for which the applicable Sponsor was a wholly-owned subsidiary of the Company, the Company purchased and intends to hold, at a minimum, the requisite amount of the most subordinated classes of Certificates and the excess cash flow certificates. The applicable Sponsor also purchased the Certificates entitled to excess servicing fees in each securitization, while the remaining classes of Certificates were purchased by unrelated parties and, when applicable, certain Securitization Co-Participants. In the non-QM and CES securitizations for which the Sponsor was not a wholly-owned subsidiary of the Company, the Company and the applicable Securitization Co-Participants have membership interests in an entity formed for such purpose (the "Participated Risk Retention Vehicle") which purchased, and intends to hold, the requisite amount of each class of Certificate for each applicable securitization. The Participated Risk Retention Vehicle also purchased the Certificates entitled to excess servicing fees of such Issuing Entities. The remaining Certificates were purchased by the Company, the Securitization Co-Participants, and/or various unrelated parties.

Notwithstanding that the Certificates carry final scheduled distribution dates in November 2059 or later, the applicable Depositor may, at its sole option, purchase all of the outstanding Certificates (an "Optional Redemption") following the earlier of (1) the applicable anniversary of the closing date (typically two or three years) of the respective securitization or (2) the date on which the aggregate unpaid principal balance of the applicable Collateral Pool has declined below a specified percentage, as detailed in each securitization's private placement memorandum, of the aggregate unpaid principal balance of the applicable Collateral Pool as of the date as of which such loans were originally transferred to the applicable Issuing Entity. The purchase price that the Depositor is required to pay in connection with an Optional Redemption is equal to the sum of the unpaid principal balance of each class of Certificates as of the redemption date and any accrued and unpaid interest thereon. These Optional Redemption rights are held by the applicable Depositor and are deemed to give such Depositor effective control over the loans. In cases where the Depositor was a wholly-owned subsidiary of the Company, the transfers of non-QM loans to each of the Issuing Entities do not qualify as sales under ASC 860-10, and the Company continues to reflect the loans on its Consolidated Balance Sheet in Loans, at fair value. In cases where the Depositor was not wholly-owned or consolidated by the Company, the transfers of loans to the Issuing Entities did qualify as sales in accordance with ASC 860-10.

In the event that certain breaches of representations or warranties are discovered with respect to any underlying loans, the Company could be required to repurchase or replace such loans.

Each Sponsor also serves as the servicing administrator of its respective securitization; for securitizations closed prior to the second quarter of 2025, the Sponsor is entitled to receive a monthly fee for its role as servicing administrator, equal to one-twelfth of the product of (a) 0.03% and (b) the unpaid principal balance of the underlying loans as of the first day of the related due period. Each such Sponsor in its role as servicing administrator provides direction and consent for certain loss mitigation activities to the third-party servicer of the underlying loans. In certain circumstances, the servicing administrator will be required to reimburse the servicer for principal and interest advances and servicing advances made by the servicer.

Consolidated non-QM Securitizations

For non-QM securitizations in which the Company owned 100% of the interests in both the applicable Sponsor and Depositor ("Consolidated Residential Mortgage Loan Securitizations"), the Company is deemed to be the primary beneficiary of the Issuing Entities, which are VIEs, and has consolidated the Issuing Entities ("Consolidated Issuing Entities") given the Company's retained interests in each of the securitizations, together with the Optional Redemption rights held by the wholly-owned Depositor and the Company's ability to direct the third-party servicer regarding certain loss mitigation activities. Interest income from these loans and the expenses related to the servicing of these loans are included in Interest income and Investment and transaction related expenses—Servicing expense, respectively, on the Consolidated Statement of Operations.

Each of the Consolidated Issuing Entities meets the definition of a CFE as defined in Note 2, and as a result the fair value of the assets of each of the Issuing Entities have been derived from the fair value of the liabilities of the respective Issuing Entity, as such liabilities have been assessed to be more observable than such assets.

The debt of the Consolidated Issuing Entities is included in Other secured borrowings, at fair value, on the Consolidated Balance Sheet and is shown net of the Certificates held by the Company.

The following table details the assets and liabilities of the Consolidated Issuing Entities included in the Company's Consolidated Balance Sheet as of September 30, 2026 and December 31, 2025:

(In thousands)	**September 30, 2026**	**December 31, 2025**
Assets:		
Loans, at fair value	$ 1,172,618	$ 1,354,189
Real estate owned	5,060	—
Investment related receivables	1,642	4,886
Liabilities:		
Other secured borrowings, at fair value	1,066,518	1,236,077

Non-Consolidated Residential Mortgage Loan Securitizations

As described above, the Company has also participated in loan securitizations with various Securitization Co-Participants. For the non-QM securitization which closed in December 2022, the Company and a Securitization Co-Participant each sold loans to a jointly held entity (the "Residential Loan JV") which then transferred the loans to the respective series of the applicable Sponsor, which is wholly-owned by the Residential Loan JV, for further transfer to the applicable Depositor. For the loan securitizations that closed after December 2022, the Company and the Securitization Co-Participants each sold loans directly to the respective series of the applicable Sponsor, for further transfer to the applicable Depositor. The sales by the Company in each instance were accounted for as sales in accordance with ASC 860-10.

The following table provides details on non-consolidated residential mortgage loan securitizations in which the Company participated during the nine-month periods ended September 30, 2026 and 2025:

Issuing Entity	Risk Retention[1]	Closing Date	Principal Balance of Loans Sold By the Company	Principal Balance of Loans Sold By the Securitization Co-Participants	Total Face Amount of Certificates Issued
			(In thousands)		
EFMT 2025-NQM1	Vertical	1/25	$ 193,569	$ 76,063	$ 269,632
EFMT 2025-CES1	Exempt	2/25	185,273	83,629	268,902
EFMT 2025-INV1	Vertical	2/25	148,189	111,518	259,707
EFMT 2025-CES2	Vertical	3/25	166,527	123,589	290,116
EFMT 2025-INV2	Vertical	5/25	196,961	148,827	345,788
EFMT 2025-CES3	Vertical	6/25	169,882	111,147	281,029
EFMT 2025-NQM2	Vertical	6/25	182,020	100,752	282,772
EFMT 2025-CES4	Vertical	7/25	70,449	211,461	281,910
EFMT 2025-INV3	Vertical	7/25	173,650	96,707	270,357
EFMT 2025-NQM3	Vertical	7/25	278,569	90,494	369,063
EFMT 2025-NQM4	Vertical	9/25	264,288	120,299	384,587
EFMT 2026-CES1	Exempt	1/26	85,274	136,540	221,814
EFMT 2026-AE1[2]	Vertical	2/26	231,322	94,418	325,740
EFMT 2026-NQM1	Vertical	2/26	478,683	88,006	566,689
EFMT 2026-INV2	Vertical	2/26	295,007	114,135	409,142
EFMT 2026-NQM3	Vertical	3/26	301,760	206,741	508,501
EFMT 2026-NQM4	Vertical	4/26	356,661	190,137	546,798
EFMT 2026-AE2[2]	Vertical	4/26	254,867	94,173	349,040
EFMT 2026-AE3[2]	Vertical	5/26	188,357	149,588	337,945
EFMT 2026-NQM5	Vertical	5/26	401,303	102,855	504,158
EFMT 2026-AE4[2]	Vertical	6/26	141,884	143,876	285,760
EFMT 2026-NQM6	Vertical	6/26	338,889	151,160	490,049
EFMT 2026-CES2	Vertical	6/26	186,950	181,583	368,533
EFMT 2026-NQM7	Vertical	7/26	327,727	136,705	464,432
EFMT 2026-INV8	Vertical	8/26	225,879	198,185	424,064
EFMT 2026-AE5	Vertical	8/26	147,695	150,442	298,137
EFMT 2026-NQM9	Vertical	8/26	279,860	155,255	435,115
EFMT 2026-NQM10	Vertical	9/26	290,099	230,976	521,075

(1) "Exempt" indicates the securitization was exempt from the Risk Retention Rules as all contributed loans were "qualified" mortgage loans. For the securitizations for which the Sponsor is required to comply with the Risk Retention Rules, the Participated Risk Retention Vehicle purchased either the requisite amount of the most subordinated classes of Certificates ("Horizontal" risk retention), or a percentage of each of the classes of Certificates issued by the respective Issuing Entities ("Vertical" risk retention).

(2) In addition to its contribution of Agency-eligible loans, the Company also paid $36.4 million in cash to the Sponsors.

The aggregate fair value of the Company's ownership interests in the Residential Loan JV, and respective series of both the Participated Risk Retention Vehicle and Sponsor, was $106.3 million and $69.1 million as of September 30, 2026 and December 31, 2025, respectively. Such interests are included on the Consolidated Balance Sheet in Investments in unconsolidated entities, at fair value. The Company and the Securitization Co-Participants also directly purchased certain of the Certificates issued by the non-consolidated Issuing Entities; the Company subsequently sold various of these Certificates. As of September 30, 2026 and December 31, 2025, the fair value of the Company's investment in such Certificates was $316.9 million and $183.1 million, respectively, and is included on the Consolidated Balance Sheet in Securities, at fair value.

The Company has evaluated its interests in the Residential Loan JV, the Participated Risk Retention Vehicle, and the respective Sponsors, which are each VIEs. Because the Company does not control the assets of such entities nor does it have the power to direct the activities that most significantly impact such entities' economic performance, the Company determined that the Company is not the primary beneficiary of these VIEs, and therefore the Company has not consolidated these VIEs.

Residential Mortgage Loan Securitizations—Residential Transition Loans ("RTLs")

The Company, through a wholly owned subsidiary (the "RTL Sponsor"), sponsored a securitization of RTLs. The RTL Sponsor transferred a pool of RTLs with an unpaid principal balance of $119.2 million (the "Initial RTL Collateral Pool") to a wholly owned entity (the "RTL Depositor"), and on the closing date such loans were deposited into a newly created securitization trust (the "RTL Issuing Entity"). Pursuant to the securitization, the RTL Issuing Entity issued $300.0 million, in aggregate, of various classes of mortgage-backed notes (the "RTL Notes") which are backed by the cash flows from the underlying RTLs. In order to comply with the Risk Retention Rules, the Company purchased and intends to hold the most subordinated class of RTL Notes. The remaining classes of RTL Notes were purchased by unrelated parties.

The securitization is subject to a reinvestment period through November 2027 (the "RTL Reinvestment Period"), absent an event of default, whereby, under various loan sale agreements, the RTL Sponsor may sell additional RTLs (the "Subsequent RTL Collateral Pool" and together with the Initial RTL Collateral Pool, the "RTL Collateral Pool") to the RTL Depositor which will then be contributed to the RTL Issuing Entity. Certain of the RTLs in the RTL Collateral Pool have commitments to advance additional funds to the underlying borrowers. As of December 31, 2025, unfunded commitments related to the RTL Collateral Pool were $55.8 million; there were no such unfunded commitments as of September 30, 2026.

Notwithstanding that the RTL Notes carry final scheduled distribution dates in November 2040, the RTL Issuer may redeem all of the outstanding RTL Notes (an "Optional Redemption") following the earlier of (a) the termination of the RTL Reinvestment Period or (b) the date on which the aggregate unpaid principal balance of the applicable Collateral Pool has declined below 25% of the Initial RTL Collateral Pool. The purchase price required to redeem the RTL Notes is equal to the sum of the unpaid principal balance of each class of RTL Notes as of the redemption date and any accrued and unpaid interest thereon.

In the event that certain breaches of representations or warranties are discovered with respect to any underlying loans, the Company could be required to repurchase or replace such loans. The Company also acts as the collateral manager of the RTL Collateral Pool whereby it performs various servicing oversight and management functions.

In light of the Company's retained interests in the RTL Issuing Entity, together with the Optional Redemption rights and the Company's ability to direct the third-party servicer regarding certain loss mitigation activities, the Company is deemed to be the primary beneficiary of the RTL Issuing Entity, which is a VIE, and has consolidated the RTL Issuing Entity. Interest income from the RTL Collateral Pool and the expenses related to the servicing of the RTL Collateral Pool are included in Interest income and Investment and transaction related expenses—Servicing expense, respectively, on the Consolidated Statement of Operations.

The RTL Issuing Entity meets the definition of a CFE as defined in Note 2, and as a result the assets of the RTL Issuing Entity have been valued using the fair value of the liabilities of the RTL Issuing Entity, as such liabilities have been assessed to be more observable than such assets.

The debt of the RTL Issuing Entity is included in Other secured borrowings, at fair value, on the Consolidated Balance Sheet and is shown net of the RTL Notes held by the Company.

The following table details the assets and liabilities of the RTL Issuing Entity included in the Company's Consolidated Balance Sheet as of September 30, 2026 and December 31, 2025:

(In thousands)	September 30, 2026	December 31, 2025
Assets:		
Restricted cash	$ 478	$ 107,660
Loans, at fair value	277,446	192,975
Investment related receivables	20,308	3,127
Liabilities:		
Other secured borrowings, at fair value	280,609	285,294
Investment related payables	1,122	644

Residential Mortgage Loan Securitizations—European Residential Mortgage Loans

The Company holds an interest in a European RMBS issued by an unaffiliated European securitization trust (the "European RMBS Issuer"), which is a VIE. The European RMBS Issuer issued various tranches of notes (the "European Debt Tranches") collateralized by a pool of European residential mortgage loans (the "European Mortgage Loan Securitization").

As the holder of a majority interest in the most subordinate European Debt Tranche, the Company may, at its sole option, purchase all of the outstanding European Debt Tranches (the "Optional Redemption"). As a result, the Company has the power to direct the activities that most significantly impact the economic performance of the European RMBS Issuer and the Company determined that the Company is the current primary beneficiary of this VIE, and therefore the Company has consolidated the European RMBS Issuer.

The following table details the assets and liabilities of the European RMBS Issuer included in the Company's Consolidated Balance Sheet as of September 30, 2026 and December 31, 2025:

(In thousands)	September 30, 2026	December 31, 2025
Assets:		
Cash and cash equivalents	$ 744	$ 586
Restricted cash	—	1,012
Loans, at fair value	23,581	27,536
Investment related receivables	4,048	2,170
Liabilities:		
Other secured borrowings, at fair value	23,644	27,600
Investment related payables	4,666	3,639

Residential Mortgage Loan Securitizations—Co-Sponsor

The Company entered into agreements whereby it co-sponsored various securitizations of residential mortgage loans (the "Co-Sponsored Securitizations") with an unrelated third-party (the "Co-Sponsor") and certain affiliates of Ellington (the "Co-Sponsor Affiliated Participants"). With the exception of the Co-Sponsored Securitization completed in January 2025, the Company, through a wholly owned subsidiary, purchased residential mortgage loans from the Co-Sponsor that were then transferred to a third-party depositor. With respect to the Co-Sponsored Securitization completed in January 2025, a Co-Sponsor Affiliated Participant purchased residential mortgage loans from the Co-Sponsor that were then transferred to a third-party depositor. In each Co-Sponsored Securitization the residential mortgage loans were then transferred from the third-party depositor to a newly formed entity (each a "Co-Sponsored Issuer"). The transfers to the Co-Sponsored Issuers were accounted for as sales in accordance with ASC 860-10. Pursuant to each of the Co-Sponsored Securitizations, each Co-Sponsored Issuer issued various classes of mortgage-backed notes (the "Co-Sponsored Notes") which are backed by the cash flows from the underlying loans.

The following table summarizes the Co-Sponsored Securitizations in which the Company participated during the nine-month periods ended September 30, 2026 and 2025:

Issuing Entity	Closing Date	Total Face Amount of Certificates Issued
		(In thousands)
RCKT MORTGAGE TRUST 2025-CES1	1/25	$ 535,777
RCKT MORTGAGE TRUST 2025-CES4	4/25	500,318
RCKT MORTGAGE TRUST 2025-CES5	5/25	502,665
RCKT MORTGAGE TRUST 2025-CES8	8/25	697,964
RCKT MORTGAGE TRUST 2026-CES6	6/26	706,046

Notwithstanding that the Co-Sponsored Notes carry final scheduled payment dates in October 2044 or later, the majority holder of the most subordinate Co-Sponsored Notes (the "Option Holder") for each respective Co-Sponsored Securitization may, at its sole option, purchase all of the outstanding Co-Sponsored Notes (an "Optional Redemption") following the earlier of (1) the third anniversary of the closing date of the respective securitization or (2) the date on which the aggregate unpaid principal balance of the underlying residential mortgage loans has declined below 20% of the aggregate unpaid principal balance as of the date on which such loans were originally transferred to the respective Co-Sponsored Issuer. The purchase price that the Option Holder is required to pay in connection with an Optional Redemption is equal to the sum of the unpaid principal balance of each class of Co-Sponsored Notes as of the redemption date and any accrued and unpaid interest thereon and any applicable fees.

In order to comply with the Risk Retention Rules, the Company retained a fixed percentage of each of the classes of Co-Sponsored Notes issued by each Co-Sponsored Issuer. Additionally, the Company and certain of the Co-Sponsor Affiliated Participants purchased certain of the Co-Sponsored Notes that are not subject to the Risk Retention Rules. As of September 30,

2026 and December 31, 2025, the fair value of the Company's investment in such Co-Sponsored Notes was $165.4 million and $161.2 million, respectively, and is included in Securities, at fair value on the Consolidated Balance Sheet.

The Company has evaluated its interests in each of the Co-Sponsored Issuers, which are VIEs. Because the Company does not control the assets of the Co-Sponsored Issuers nor does it have the power to direct the activities that most significantly impact such entities' economic performance, the Company determined that it is not the primary beneficiary of these VIEs, and therefore the Company has not consolidated these VIEs.

Proprietary Reverse Mortgage Loan Securitizations

The Company has sponsored securitizations of reverse mortgage loans (each, a "Reverse Mortgage Securitization"). In each case, the Company, through its wholly-owned subsidiary (the "RM Sponsor"), transferred a pool of proprietary reverse mortgage loans (each, a "RM Collateral Pool") to a wholly-owned subsidiary of the RM Sponsor (the "RM Depositor"), which then deposited such RM Collateral Pool into a newly created securitization trust on the related securitization closing date. Pursuant to the Reverse Mortgage Securitizations, the securitization trusts (collectively, the "RM Issuing Entities") issued various classes of asset-backed notes (the "RM Notes") which are backed by the cash flows from the underlying proprietary reverse mortgage loans.

The Company purchased and intends to hold, at a minimum, the requisite amount of RM Notes it is required to hold under the Risk Retention Rules.

The RM Sponsor also serves as the servicing administrator of each Reverse Mortgage Securitization, for which it is entitled to receive a monthly fee equal to one-twelfth of the product of (a) 0.03% and (b) the unpaid principal balance of the underlying reverse mortgage loans as of the first day of the related due period. The RM Sponsor in its role as servicing administrator provides direction and consent for certain loss mitigation activities to the servicer of the underlying reverse mortgage loans. In certain circumstances, the servicing administrator will be required to reimburse the servicer for principal and interest advances and servicing advances made by the servicer.

Notwithstanding that the RM Notes carry stated final maturity dates in May 2055 or later, each RM Issuing Entity may, at its sole option, purchase all of the outstanding RM Notes of such RM Issuing Entity (a "RM Optional Redemption") following the date on which the aggregate outstanding balance of the RM Notes has declined below 30% of the aggregate initial note amount of the RM Notes. The purchase price required to be paid in connection with such a RM Optional Redemption is equal to the sum of the remaining balance of the RM Notes as of the redemption date, any accrued and unpaid interest thereon, and any applicable expenses including the repayment of servicing advances. These RM Optional Redemption rights are exercisable by each applicable RM Issuing Entity, each of which the Company has been deemed to have effective control over through its role as RM Sponsor and servicing administrator.

The Company is deemed to be the primary beneficiary of each of the RM Issuing Entities, which are VIEs, and has consolidated such entities given the Company's retained interests in each of the Reverse Mortgage Securitizations, together with the Optional Redemption rights held by the RM Depositor and the Company's ability to direct the third-party servicer regarding certain loss mitigation activities. Interest income from these loans and the expenses related to the servicing of these loans are included in Interest income and Investment and transaction related expenses—Servicing expense, respectively, on the Consolidated Statement of Operations.

Each of the RM Issuing Entities meets the definition of a CFE and, as a result, the fair value of the assets of the RM Issuing Entities has been derived from the fair value of the liabilities of the RM Issuing Entities, as such liabilities have been assessed to be more observable than such assets.

The debt of the RM Issuing Entities is included in Other secured borrowings, at fair value, on the Consolidated Balance Sheet and is shown net of the RM Notes held by the Company.

The following table provides additional details for the Company's consolidated Reverse Mortgage Securitizations closed during the nine-month periods ended September 30, 2026 and 2025:

RM Issuing Entity	Closing Date	Principal Balance of Loans Transferred to the Depositor	Total Face Amount of RM Notes Issued[1]
		(In thousands)	
EFMT 2025-RM1	5/25	$ 198,359	$ 242,700
EFMT 2025-RM2	8/25	115,627	138,350
EFMT 2026-RM1	2/26	223,023	260,440
EFMT 2026-RM2	5/26	229,422	274,450
EFMT 2026-RM3	6/26	151,182	183,220

(1) The RM Sponsor purchased various classes of RM Notes issued by each RM Issuing Entity in order to comply with the Risk Retention Rules.

The following table details the assets and liabilities of the RM Issuing Entities included in the Company's Consolidated Balance Sheet as of September 30, 2026 and December 31, 2025:

	September 30, 2026	December 31, 2025
Assets:	*(In thousands)*	
Restricted cash	$ 30,839	$ 26,013
Loans, at fair value	1,908,310	1,397,835
Investment related receivables	21,010	19,893
Liabilities:		
Other secured borrowings, at fair value	1,902,575	1,396,607

Issuance of HMBS

Longbridge is approved as a Title II, non-supervised direct endorsement mortgagee with HUD. Longbridge is also an approved issuer of HMBS whereby it pools HECM loans and issues HMBS securities which are sold to third parties with only the servicing rights retained. As discussed in Note 5, HMBS are structured whereby the HMBS issuer is required to repurchase loans whenever the outstanding principal balance of such loan reaches 98% of the MCA. In accordance with ASC 860-10, the transfer of the loans to the HMBS securitization vehicle does not qualify as a sale as the Company has not surrendered control over transferred financial assets. As a result, the transfer of the loans is accounted for as secured borrowings for which the Company has elected the FVO. Such secured borrowings are included in HMBS-related obligations, at fair value, on the Consolidated Balance Sheet. The majority of the related collateral is included as a component of Loans, at fair value, on the Consolidated Balance Sheet. The Company recognizes interest expense on such HMBS-related obligations based on the stated coupon rate of the respective HMBS. Interest expense and changes in fair value are recorded in net change related to HMBS obligations, at fair value on the Consolidated Statement of Operations. During the three-month periods ended September 30, 2026 and 2025, the Company pooled HECM loans with an unpaid principal balance of $410.9 million and $338.4 million, respectively, into HMBS. During the nine-month periods ended September 30, 2026 and 2025, the Company pooled HECM loans with an unpaid principal balance of $1.18 billion and $1.06 billion, respectively, into HMBS. As of September 30, 2026, the Company was servicing 1,127 pools of HMBS with an unpaid principal balance of $10.7 billion. As of December 31, 2025, the Company was servicing 1,028 pools of HMBS with an unpaid principal balance of $9.9 billion.

During the three-month periods ended September 30, 2026 and 2025, the Company repurchased HECM loans from HMBS pools, largely consisting of loans that had reached 98% of the MCA, with an unpaid principal balance of $61.5 million and $42.9 million, respectively. During the nine-month periods ended September 30, 2026 and 2025, the Company repurchased HECM loans from HMBS pools, largely consisting of loans that had reached 98% of the MCA, with an unpaid principal balance of $176.2 million and $104.9 million, respectively.

14. Borrowings

Secured Borrowings

The Company's secured borrowings consist of repurchase agreements, Other secured borrowings, Other secured borrowings, at fair value, and HMBS-related obligations, at fair value. As of September 30, 2026 and December 31, 2025, the Company's total secured borrowings were $18.4 billion and $16.3 billion, respectively.

Repurchase Agreements

The Company enters into repurchase agreements. A repurchase agreement involves the sale of an asset to a counterparty together with a simultaneous agreement to repurchase the transferred asset or similar asset from such counterparty at a future date. The Company accounts for its repurchase agreements as collateralized borrowings, with the transferred assets effectively serving as collateral for the related borrowing. The Company's repurchase agreements typically range in term from 30 to 364 days, although the Company also has repurchase agreements that provide for longer or shorter terms; repurchase agreements on Agency RMBS and U.S. Treasury securities typically have terms shorter than 30 days. The principal economic terms of each repurchase agreement—such as loan amount, interest rate, and maturity date—are typically negotiated on a transaction-by-transaction basis. Other terms and conditions, such as those relating to events of default, are typically governed under the Company's master repurchase agreements. Absent an event of default, the Company maintains beneficial ownership of the transferred securities during the term of the repurchase agreement and receives the related principal and interest payments. Interest rates on these borrowings are generally fixed based on prevailing rates corresponding to the terms of the borrowings, and for most repurchase agreements, interest is generally paid at the termination of the repurchase agreement, at which time the Company may enter into a new repurchase agreement at prevailing market rates with the same counterparty, repay that counterparty and possibly negotiate financing terms with a different counterparty, or choose to no longer finance the related asset. Some repurchase agreements provide for periodic payments of interest, such as monthly payments. In response to a decline in the fair value of the transferred securities, whether as a result of changes in market conditions, security paydowns, or other factors, repurchase agreement counterparties will typically make a margin call, whereby the Company will be required to post additional securities and/or cash as collateral with the counterparty in order to re-establish the agreed-upon collateralization requirements. In the event of increases in fair value of the transferred securities, the Company can generally require the counterparty to post collateral with it in the form of cash or securities. The Company is generally permitted to sell or re-pledge any securities posted by the counterparty as collateral; however, upon termination of the repurchase agreement, or other circumstance in which the counterparty is no longer required to post such margin, the Company must return to the counterparty the same security that had been posted.

At any given time, the Company seeks to have its outstanding borrowings under repurchase agreements with several different counterparties in order to reduce the exposure to any single counterparty. The Company had outstanding borrowings under repurchase agreements with 22 and 21 counterparties as of September 30, 2026 and December 31, 2025, respectively.

As of September 30, 2026, remaining days to maturity on the Company's open repurchase agreements ranged from 1 day to 729 days and interest rates on the Company's open repurchase agreements ranged from 3.41% to 7.30%. As of December 31, 2025, remaining days to maturity on the Company's open repurchase agreements ranged from 2 days to 636 days and interest rates on the Company's open repurchase agreements ranged from 2.79% to 7.05%.

The following table details the Company's outstanding borrowings under repurchase agreements by remaining maturity as of September 30, 2026 and December 31, 2025:

	September 30, 2026			December 31, 2025		
		Weighted Average			Weighted Average	
Remaining Maturity	Outstanding Borrowings	Interest Rate	Remaining Days to Maturity	Outstanding Borrowings	Interest Rate	Remaining Days to Maturity
Agency Pass-Throughs[1]:	*(In thousands)*			*(In thousands)*		
30 days or less	$ 77,044	3.96 %	3	$ 193,105	4.00 %	4
Total Agency Pass-Throughs	77,044	3.96 %	3	193,105	4.00 %	4
U.S. Treasury securities:						
30 Days or Less	101,403	3.98 %	1	33,310	3.99 %	2
Total U.S. Treasury securities	101,403	3.98 %	1	33,310	3.99 %	2
Other[2]:						
30 days or less	25,531	6.17 %	13	40,822	5.56 %	17
31-60 days	812,082	5.37 %	40	406,647	5.19 %	46
61-90 days	382,246	4.70 %	77	210,885	4.48 %	75
91-120 days	297,219	5.39 %	117	361,230	5.22 %	115
121-150 days	382,439	5.68 %	134	—	— %	—
151-180 days	17,952	4.75 %	164	13,143	4.59 %	161
181-364 days	269,648	5.75 %	246	217,900	5.86 %	291
> 364 days	1,204,950	5.91 %	593	1,178,402	5.67 %	505
Total other	3,392,067	5.56 %	275	2,429,029	5.43 %	304
Total	$ 3,570,514	5.48 %	261	$ 2,655,444	5.31 %	278

(1) Excludes Agency IOs.
(2) Includes securities, loans, and REO.

Repurchase agreements involving underlying investments that the Company sold prior to period end, for settlement following period end, are shown using their contractual maturity dates even though such repurchase agreements may be expected to be terminated early upon settlement of the sale of the underlying investment.

As of September 30, 2026 and December 31, 2025, the fair value of investments transferred as collateral under outstanding borrowings under repurchase agreements was $4.3 billion and $3.3 billion, respectively. In addition, as of September 30, 2026 and December 31, 2025, the Company posted (received) net cash collateral of $19.6 million and $6.9 million, respectively, to its counterparties.

Amount at risk represents the excess, if any, for each counterparty of the fair value of collateral held by such counterparty over the amounts outstanding under repurchase agreements. There was no counterparty for which the amount at risk was greater than 10% of total equity as of September 30, 2026 and December 31, 2025.

Other Secured Borrowings

The Company has entered into agreements, which it amended in the first quarter of 2026, to finance a portfolio of ABS backed by consumer loans through a recourse secured revolving borrowing facility, which terminates in January 2028, whereby the Company can vary its borrowings based on the size of its portfolio, subject to certain maximum limits. The facility accrues interest on a floating rate basis. As of September 30, 2026 and December 31, 2025, the Company had outstanding borrowings under this facility in the amount of $31.1 million and $29.2 million, respectively, which is included under the caption Other secured borrowings, on the Company's Consolidated Balance Sheet. As of September 30, 2026, the fair value of ABS backed by consumer loans collateralizing this borrowing was $50.9 million and the effective interest rate on this facility was 6.83%. As of December 31, 2025, the fair value of ABS backed by consumer loans collateralizing this borrowing was $52.7 million and the effective interest rate on this facility was 7.19%. There are a number of covenants, including several financial covenants, associated with this borrowing; as of both September 30, 2026 and December 31, 2025, the Company was in compliance with all of its covenants.

The Company has completed various securitization transactions, as discussed in Note 13—*Consolidated non-QM Securitizations*, whereby it financed portfolios of non-QM loans. As of September 30, 2026 and December 31, 2025, the fair value of the Company's outstanding liabilities associated with the Company's Consolidated Residential Mortgage Loan

Securitizations was $1.07 billion and $1.24 billion, respectively, representing the fair value of the securitization trust certificates held by third parties as of such date, and is included on the Company's Consolidated Balance Sheet in Other secured borrowings, at fair value. The weighted average coupon of the certificates held by third parties was 3.14% and 3.10% as of September 30, 2026 and December 31, 2025, respectively. As of September 30, 2026 the fair value of non-QM loans and related REO held in the Consolidated Residential Mortgage Loan Securitization trusts was $1.18 billion and as of December 31, 2025 the fair value of non-QM loans held in the Consolidated Residential Mortgage Loan Securitization trusts was $1.35 billion.

The Company has completed a securitization transaction, as discussed in Note 13—*Residential Mortgage Loan Securitizations—Residential Transition Loans*, whereby it financed a portfolio of RTLs. As of September 30, 2026 and December 31, 2025, the fair value of the Company's outstanding liabilities associated with the Company's consolidated RTL securitization was $280.6 million and $285.3 million, respectively, representing the fair value of the securitization notes held by third parties as of such date, and is included on the Company's Consolidated Balance Sheet in Other secured borrowings, at fair value. The weighted average coupon of the notes held by third parties was 5.65% as of both September 30, 2026 and December 31, 2025. As of September 30, 2026, the Consolidated Residential Mortgage Loan Securitization trust held RTLs with a fair value of $277.4 million, restricted cash of $0.5 million, and $20.3 million of investment related receivables. As of December 31, 2025, the Consolidated Residential Mortgage Loan Securitization trust held RTLs with a fair value of $193.0 million, restricted cash of $107.7 million, and $3.1 million of investment related receivables.

The Company has completed securitization transactions, as discussed in Note 13—*Proprietary Reverse Mortgage Loan Securitizations*, whereby it financed portfolios of proprietary reverse mortgage loans. As of September 30, 2026 and December 31, 2025, the fair value of the Company's outstanding liabilities associated with the Company's Reverse Mortgage Securitizations was $1.90 billion and $1.40 billion, respectively, representing the fair value of the RM Notes held by third parties as of such date, and is included on the Company's Consolidated Balance Sheet in Other secured borrowings, at fair value. The weighted average coupon of the RM Notes held by third parties was 4.81% and 4.84% as of September 30, 2026 and December 31, 2025, respectively. Collateral held in the RM Issuing Entities as of September 30, 2026 includes the fair value of reverse mortgage loans of $1.91 billion, $30.8 million of cash held in securitization reserve funds, and $21.0 million of investment related receivables. Collateral held in the RM Issuing Entities as of December 31, 2025 includes the fair value of reverse mortgage loans of $1.40 billion, $26.0 million of cash held in securitization reserve funds, and $19.9 million of investment related receivables.

As discussed in Note 13—*Residential Mortgage Loan Securitizations—European Residential Mortgage Loans*, the Company has determined that it is the primary beneficiary of the European RMBS Issuer, resulting in consolidation. As of September 30, 2026 and December 31, 2025, Other secured borrowings, at fair value of the European RMBS Issuer was $23.6 million and $27.6 million, respectively, representing the fair value of the European Debt Tranches held by third parties as of such date, and is included on the Company's Consolidated Balance Sheet in Other secured borrowings, at fair value. The weighted average coupon of the European Debt Tranches held by third parties was 7.29% and 7.42% as of September 30, 2026 and December 31, 2025, respectively. Collateral held in the European RMBS Issuer as of September 30, 2026, includes the fair value of residential mortgage loans of $23.6 million and $0.9 million of cash. Collateral held in the European RMBS Issuer as of December 31, 2025, includes the fair value of residential mortgage loans of $27.5 million and $1.6 million of cash.

The Company has a warehouse line of credit which it uses to finance its portfolio of reverse mortgage loans prior to them being sold or pooled into HMBS. This line of credit was amended in May 2026, matures in May 2027, and accrues interest on a floating rate basis. As of September 30, 2026 and December 31, 2025, the Company had outstanding borrowings under this financing line of $62.7 million and $77.9 million, respectively, which is included on the Company's Consolidated Balance Sheet in Other secured borrowings. The effective interest rate was 6.55% and 6.70% as of September 30, 2026 and December 31, 2025, respectively. As of September 30, 2026 and December 31, 2025, the fair value of reverse mortgage loans collateralizing this borrowing was $70.0 million and $85.3 million, respectively, which are included in Loans, at fair value on the Consolidated Balance Sheet. There are a number of covenants, including several financial covenants, associated with this line of credit; as of September 30, 2026 and December 31, 2025, the Company was in compliance with all of these covenants.

The Company entered into an agreement to finance a portfolio of HECM tail draws prior to being sold or pooled into HMBS. This facility was amended in May 2026, matures in November 2026, and accrues interest on a floating-rate basis. As of September 30, 2026 and December 31, 2025, the Company's outstanding borrowings under this facility was $15.7 million and $20.7 million, respectively, which are included on the Company's Consolidated Balance Sheet in Other secured borrowings. The effective interest rate was 7.18% and 7.25% as of September 30, 2026 and December 31, 2025, respectively. As of September 30, 2026 and December 31, 2025, the fair value of HECM tail draws collateralizing this borrowing was $33.6 million and $35.2 million, respectively, which are included in Loans, at fair value on the Consolidated Balance Sheet. There are a number of covenants, including several financial covenants, associated with this borrowing; as of both September 30, 2026 and December 31, 2025, the Company was in compliance with all of its covenants.

The Company is a party to various agreements which provide a facility for the financing of certain HECM Buyout Loans. This facility was amended in May 2026, has a borrowing period that terminates in May 2027, and accrues interest on a floating-rate basis. As of September 30, 2026 and December 31, 2025, the Company's outstanding borrowings under this facility were $39.6 million and $40.5 million, respectively, which are included on the Company's Consolidated Balance Sheet in Other secured borrowings. The effective interest rate was 6.42% and 6.39% as of September 30, 2026 and December 31, 2025, respectively. As of September 30, 2026 and December 31, 2025, the fair value of HECM Buyout Loans collateralizing this borrowing was $42.6 million and $43.5 million, respectively. There are a number of covenants, including several financial covenants, associated with this borrowing; as of September 30, 2026 and December 31, 2025, the Company was in compliance with all of its covenants.

The Company entered into various agreements to finance certain reverse mortgage loans. This facility matures in January 2027 and accrues interest on a floating-rate basis. Under the terms of this facility, in addition to borrowings collateralized by reverse mortgage loans, the Company may also borrow up to an additional $20.0 million in the form of working capital advances. However, in the event of default, the lender can utilize any excess value of any reverse mortgage loans held as collateral to pay down any working capital advances outstanding. As of September 30, 2026 and December 31, 2025, the Company's outstanding borrowings under this facility was $102.5 million and $128.1 million, respectively; such borrowings are included on the Company's Consolidated Balance Sheet in Other secured borrowings. As of September 30, 2026, the fair value of reverse mortgage loans collateralizing these borrowings was $107.3 million and the effective interest rate was 6.04%. As of December 31, 2025, the fair value of reverse mortgage loans collateralizing these borrowings was $134.8 million and the effective interest rate was 5.89%.

HMBS-related Obligations

As discussed in Note 13—*Issuance of HMBS*, the Company issues pools of HMBS which are accounted for as secured borrowings. As of September 30, 2026 and December 31, 2025, the Company had HMBS-related obligations, at fair value of $11.3 billion and $10.4 billion, respectively. As of September 30, 2026 and December 31, 2025, such HMBS-related obligations are secured by $11.4 billion and $10.5 billion, respectively, of HECM loans, REO, and HMBS-related claims or other receivables. The weighted average interest rate on the Company's HMBS-related obligations was 5.85% and 5.52% as of September 30, 2026 and December 31, 2025, respectively.

Unsecured Borrowings

Senior Notes

The Company has $210.0 million of outstanding principal amount of unsecured long-term debt maturing on April 1, 2027, which is structured as a joint and several co-issuance by certain of the Company's consolidated subsidiaries and fully guaranteed by the Company (the "5.875% Senior Notes"). The 5.875% Senior Notes bear interest at a rate of 5.875%, subject to adjustment based on changes, if any, in the ratings of the 5.875% Senior Notes. Interest on the 5.875% Senior Notes is payable semi-annually in arrears. Prior to April 1, 2026, the Company may redeem the 5.875% Senior Notes, at its option, in whole or in part, at a premium as detailed in the indenture dated March 31, 2022. On or after April 1, 2026, the Company may redeem all or a part of the 5.875% Senior Notes at a redemption price of 100%, plus accrued and unpaid interest.

The Company also has issued unsecured long-term debt maturing on September 30, 2030, which is structured as a joint and several co-issuance by certain of the Company's consolidated subsidiaries and fully guaranteed by the Company (the "7.375% Senior Notes"). As of September 30, 2026 and December 31, 2025 the Company had $550.0 million and $400.0 million, respectively, of outstanding principal. The 7.375% Senior Notes bear interest at a rate of 7.375%, which is payable semi-annually in arrears. Prior to September 30, 2027, the Company may redeem the 7.375% Senior Notes in such amounts and at such premiums as detailed in the indenture dated October 6, 2025. On or after September 30, 2027, the Company may redeem all or a part of the 7.375% Senior Notes at a redemption price as set forth in the following table:

Redemption Date	Redemption Price
September 30, 2027–September 29, 2028	103.688 %
September 30, 2028–September 29, 2029	101.844 %
Thereafter	100.000 %

Upon the completion of the merger with Arlington Asset Investment Corp. (the "Arlington Merger"), the Company assumed Arlington's liabilities including various unsecured debt. The Company assumed $34.9 million of Arlington's 6.75% Senior Notes, which bore interest at a rate of 6.75% and which became due March 15, 2025 (the "6.75% Senior Notes"). Interest on the 6.75% Senior Notes was payable quarterly in arrears. In March 2025, the Company fully redeemed the 6.75% Senior Notes.

The Company also assumed $37.8 million of Arlington's 6.00% Senior Notes, which bore interest at a rate of 6.00% and which became due August 1, 2026 (the "6.00% Senior Notes"). Interest on the 6.00% Senior Notes was payable quarterly in arrears. In August 2026, the Company fully redeemed the 6.00% Senior Notes.

The Company has elected the FVO for the 5.875% Senior Notes and the 7.375% Senior Notes, as well as for the 6.75% Senior Notes and 6.00% Senior Notes (for periods when they were outstanding) (collectively the "Senior Notes"), which are included in Unsecured borrowings, at fair value on the Consolidated Balance Sheet. Change in unrealized gains and losses on the Company's Senior Notes are included in Unrealized gains (losses) on Unsecured borrowings, at fair value, on the Consolidated Statement of Operations.

There are a number of covenants, including several financial covenants, associated with the Senior Notes; as of both September 30, 2026 and December 31, 2025, the Company was in compliance with all of its covenants for its outstanding Senior Notes. The Senior Notes are unsecured and are effectively subordinated to secured indebtedness of the Company, to the extent of the value of the collateral securing such indebtedness.

Subordinated Notes

The Company also assumed $15.0 million of Arlington's unregistered junior subordinated unsecured debt securities (the "Trust Preferred Debt"). The Trust Preferred Debt includes $10.0 million, which bears interest at a rate of three-month term SOFR plus 3.26%, payable quarterly in arrears, and which matures on October 7, 2033; and $5.0 million, which bears interest at a rate of three-month term SOFR plus 2.51%, payable quarterly in arrears, and which matures on July 7, 2035. The Trust Preferred Debt may be redeemed in whole or in part at any time and from time to time at the Company’s option, at a redemption price equal to the principal amount plus accrued and unpaid interest. The Company has elected the FVO for the Trust Preferred Debt, which is included in Unsecured borrowings, at fair value on the Consolidated Balance Sheet, and change in unrealized gains and losses on the Company's Trust Preferred Debt are included in Unrealized gains (losses) on Unsecured borrowings, at fair value, on the Consolidated Statement of Operations. The Trust Preferred Debt is an obligation of a consolidated subsidiary of the Company and is fully guaranteed by the Company.

Schedule of Principal Repayments

The following table details the Company's principal repayment schedule, over the next 5 years, for outstanding borrowings as of September 30, 2026:

Year	Repurchase Agreements[1]	Other Secured Borrowings[2]	HMBS-related Obligations[3]	Unsecured Borrowings[1]	Total
(In thousands)					
Next Twelve Months	$ 2,589,751	$ 386,134	$ 1,524,769	$ 210,000	$ 4,710,654
Year 2	980,763	369,684	1,262,285	—	2,612,732
Year 3	—	234,233	1,638,025	—	1,872,258
Year 4	—	198,848	2,202,447	550,000	2,951,295
Year 5	—	200,783	2,047,156	—	2,247,939
Total	$ 3,570,514	$ 1,389,682	$ 8,674,682	$ 760,000	$ 14,394,878

(1) Reflects the Company's contractual principal repayment dates.
(2) Includes $546.3 million, $299.4 million, $279.0 million, and $13.4 million of expected principal repayments related to the Company's consolidated non-QM, RTL, reverse mortgage loan, and European Mortgage Loan securitizations, respectively, which are projected based upon the underlying assets' expected repayments and may be prior to the stated contractual maturities.
(3) Represents expected principal repayments projected based upon the expected repayments of the underlying HECM loans, which may be prior to the stated contractual maturities of the related HMBS.

15. Income Taxes

The Company has elected to be taxed as a REIT under the Code. A REIT is generally not subject to U.S. federal, state, and local income tax on the portion of its income that is distributed to its owners if it distributes at least 90% of its REIT taxable income within the prescribed time frames, determined without regard to the deduction for dividends paid and excluding any net capital gains. The Company intends to operate in a manner which will allow it to continue to meet the requirements for qualification as a REIT. Accordingly, Ellington Financial Inc. does not believe that it will be subject to U.S. federal, state, and local income tax on the portion of its net taxable income that is distributed to its stockholders as long as certain asset, income, and share ownership tests are met.

Cash dividends declared by the Company that do not exceed its current or accumulated earnings and profits will be considered ordinary income to stockholders for income tax purposes unless all or a portion of a dividend is designated by the

Company as a capital gain dividend. Distributions in excess of the Company's current and accumulated earnings and profits will be characterized as return of capital or will be treated by shareholders as capital gains.

Certain foreign and domestic subsidiaries of the Company have elected to be treated as TRSs and therefore are taxed as corporations for U.S. federal, state, and local income tax purposes. To the extent that those entities incur, or are expected to incur, U.S. federal, state, or local income taxes, or foreign income taxes, such tax expense is recognized by the Company.

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes* ("ASC 740"). Deferred income taxes reflect the net tax effects of temporary differences that may exist between the carrying amounts of assets and liabilities under U.S. GAAP and the carrying amounts used for income tax purposes for each domestic TRS. For the three-month periods ended September 30, 2026 and 2025, the Company recorded income tax expense (benefit) of $2.0 million and $1.1 million, respectively. For the nine-month periods ended September 30, 2026 and 2025, the Company recorded income tax expense (benefit) of $3.0 million and $2.4 million, respectively. The Company evaluates its deferred tax assets for recoverability using a consistent approach which considers the relative impact of negative and positive evidence, including historical profitability and projections of future taxable income. Based upon the available evidence at September 30, 2026, the Company determined that it was more likely than not that the deferred tax assets of its TRS would not be utilized in future periods; a valuation allowance of $49.5 million was recorded to fully reserve against these deferred tax assets.

16. Related Party Transactions

The Company is party to the Management Agreement (which may be amended from time to time), pursuant to which the Manager manages the assets, operations, and affairs of the Company, in consideration of which the Company pays the Manager management and incentive fees. The descriptions of the Base Management Fees and Incentive Fees are detailed below.

Base Management Fees

The Operating Partnership pays the Manager 1.50% per annum of the total equity of the Operating Partnership calculated in accordance with U.S. GAAP as of the end of each fiscal quarter (before deductions for base management fees and incentive fees payable with respect to such fiscal quarter), adjusted to exclude one-time events pursuant to changes in U.S. GAAP, as well as non-cash charges after discussion between the Manager and the Company's independent directors, and approval by a majority of the Company's independent directors in the case of non-cash charges.

Pursuant to the Management Agreement, if the Company invests at issuance in the equity of any collateralized debt obligation that is managed, structured, or originated by Ellington or one of its affiliates, or if the Company invests in any other investment fund or other investment for which Ellington or one of its affiliates receives management, origination, or structuring fees, then, unless agreed otherwise by a majority of the Company's independent directors, the base management and incentive fees payable by the Company to its Manager will be reduced by an amount equal to the applicable portion (as described in the Management Agreement) of any such management, origination, or structuring fees.

For the three-month period ended September 30, 2026, the total base management fee incurred was $7.3 million, consisting of $7.6 million of total gross base management fee incurred, less $0.2 million of management fee rebates. For the three-month period ended September 30, 2025, the total base management fee incurred was $6.2 million, consisting of $6.7 million of total gross base management fee incurred, less $0.5 million of management fee rebates. For the nine-month period ended September 30, 2026, the total base management fee incurred was $21.8 million, consisting of $22.5 million of total gross base management fee incurred, less $0.7 million of management fee rebates. For the nine-month period ended September 30, 2025, the total base management fee incurred was $18.5 million, consisting of $19.2 million of total gross base management fee incurred, less $0.6 million of management fee rebates. See "—*Participation in CLO Transactions"* and "—*Investment in Affiliate*" below for details on management fee rebates.

Incentive Fees

The Manager is entitled to receive a quarterly incentive fee equal to the positive excess, if any, of (i) the product of (A) 25% and (B) the excess of (1) Adjusted Net Income (described below) for the Incentive Calculation Period (which means such fiscal quarter and the immediately preceding three fiscal quarters) over (2) the sum of the Hurdle Amounts (described below) for the Incentive Calculation Period, over (ii) the sum of the incentive fees already paid or payable for each fiscal quarter in the Incentive Calculation Period preceding such fiscal quarter.

For purposes of calculating the incentive fee, "Adjusted Net Income" for the Incentive Calculation Period means the net increase in equity from operations of the Operating Partnership, after all base management fees but before any incentive fees for such period, and excluding any non-cash equity compensation expenses for such period, as reduced by any Loss Carryforward (as described below) as of the end of the fiscal quarter preceding the Incentive Calculation Period.

For purposes of calculating the incentive fee, the "Loss Carryforward" as of the end of any fiscal quarter is calculated by determining the excess, if any, of (1) the Loss Carryforward as of the end of the immediately preceding fiscal quarter over (2) the Company's net increase in equity from operations (expressed as a positive number) or net decrease in equity from operations (expressed as a negative number) of the Operating Partnership for such fiscal quarter. As of September 30, 2026 and December 31, 2025, there was no Loss Carryforward.

For Periods Subsequent to April 1, 2025:

For purposes of calculating the incentive fee, the "Hurdle Amount" means, with respect to any fiscal quarter, the result obtained by multiplying (i) the total common equity of the Operating Partnership calculated in accordance with U.S. GAAP as of the end of the immediately preceding fiscal quarter, adjusted to exclude one-time events pursuant to changes in U.S. GAAP, as well as non-cash charges after discussion between the Manager and the Company's independent directors, and approval by a majority of the Company's independent directors in the case of non-cash charges and (ii) one-fourth of the greater of (A) 9% and (B) 3% plus the 10-year U.S. Treasury Rate for such fiscal quarter (the "Hurdle Rate"). The Hurdle Amount shall be appropriately adjusted for any issuances or repurchases of shares of common stock during the fiscal quarter. The payment of the incentive fee will be in a combination of shares of common stock and cash, provided that at least 10% of any quarterly payment will be made in shares of common stock.

For Periods Prior to April 1, 2025:

For purposes of calculating the incentive fee, the "Hurdle Amount" means, with respect to any fiscal quarter, the product of (i) one-fourth of the greater of (A) 9% and (B) 3% plus the 10-year U.S. Treasury rate as of the beginning of such fiscal quarter, (ii) the sum of (A) the weighted average gross proceeds per share of all common stock and OP Unit issuances since inception of the Company and up to the end of such fiscal quarter, with each issuance weighted by both the number of shares of common stock and OP Units issued in such issuance and the number of days that such issued shares of common stock and OP Units were outstanding during such fiscal quarter, using a first-in first-out basis of accounting (*i.e.* attributing any share of common stock and OP Unit repurchases to the earliest issuances first) and (B) the result obtained by dividing (I) retained earnings attributable to shares of common stock and OP Units at the beginning of such fiscal quarter by (II) the average number of shares of common stock and OP Units outstanding for each day during such fiscal quarter, and (iii) the sum of (x) the average number of shares of common stock and long term incentive plan units of the Company outstanding for each day during such fiscal quarter, and (y) the average number of Convertible Non-controlling Interests outstanding for each day during such fiscal quarter. For purposes of determining the Hurdle Amount, issuances of common stock, and Convertible Non-controlling Interests (a) as equity incentive awards, (b) to the Manager as part of its base management fee or incentive fee and (c) to the Manager or any of its affiliates in privately negotiated transactions, are excluded from the calculation. The payment of the incentive fee will be in a combination of shares of common stock and cash, provided that at least 10% of any quarterly payment will be made in shares of common stock.

The Company incurred incentive fees of $0.9 million for the three-month period ended September 30, 2026; no such fees were incurred for the three-month period ended September 30, 2025. The Company incurred incentive fees of $21.0 million and $4.5 million for the nine-month periods ended September 30, 2026 and 2025, respectively.

Termination Fees

The Management Agreement requires the Company to pay a termination fee to the Manager in the event of (1) the Company's termination or non-renewal of the Management Agreement without cause or (2) the Company's termination of the Management Agreement based on unsatisfactory performance by the Manager that is materially detrimental to the Company or (3) the Manager's termination of the Management Agreement upon a default by the Company in the performance of any material term of the Management Agreement. Such termination fee will be equal to the amount of three times the sum of (i) the average annual base management fees paid or payable with respect to the two 12-month periods ending on the last day of the latest fiscal quarter completed on or prior to the date of the notice of termination or non-renewal and (ii) the average annual incentive fees paid or payable with respect to the two 12-month periods ending on the last day of the latest fiscal quarter completed on or prior to the date of the notice of termination or non-renewal.

Expense Reimbursement

Under the terms of the Management Agreement, the Company is required to reimburse the Manager for operating expenses related to the Company that are incurred by the Manager, including expenses relating to legal, accounting, due diligence, other services, and all other costs and expenses. The Company's reimbursement obligation is not subject to any dollar limitation. Expenses will be reimbursed in cash within 60 days following delivery of the expense statement by the Manager; provided, however, that such reimbursement may be offset by the Manager against amounts due to the Company from the Manager. The Company will not reimburse the Manager for the salaries and other compensation of the Manager's personnel

except that the Company will be responsible for expenses incurred by the Manager in employing certain dedicated or partially dedicated personnel as further described below.

The Company reimburses the Manager for the allocable share of the compensation, including, without limitation, wages, salaries, and employee benefits paid or reimbursed, as approved by the Compensation Committee of the Board of Directors to certain dedicated or partially dedicated personnel who spend all or a portion of their time managing the Company's affairs, based upon the percentage of time devoted by such personnel to the Company's affairs. In their capacities as officers or personnel of the Manager or its affiliates, such personnel will devote such portion of their time to the Company's affairs as is necessary to enable the Company to operate its business.

For the nine-month periods ended September 30, 2026 and 2025, the Company reimbursed the Manager $20.0 million and $15.8 million, respectively, for previously incurred operating expenses. As of September 30, 2026 and December 31, 2025, the outstanding payable to the Manager for operating expenses was $9.7 million and $2.4 million, respectively, which are included in Accrued expenses and other liabilities on the Consolidated Balance Sheet.

Transactions Involving Investments in Unconsolidated Entities—Certain Loan Originators

As of September 30, 2026 and December 31, 2025, the loan originators in which the Company holds equity investments represent related parties. Transactions that have been entered into with these related party loan originators are summarized below.

The Company is a party to a mortgage loan purchase and sale flow agreement with a mortgage loan originator (the "Related-Party MLPA") in which the Company holds a non-controlling equity investment, whereby the Company purchases residential mortgage loans that satisfy certain specified criteria. The Company has entered into agreements whereby it guarantees the performance of such mortgage originator under third-party master repurchase agreements. See Note 24, Commitments and Contingencies, for further information on the Company's guarantees of the third-party borrowing arrangements and certain loan purchase commitments under the Related-Party MLPA. As of September 30, 2026 and December 31, 2025, the fair value of the Company's investment in this mortgage loan originator was $63.8 million and $52.6 million, respectively.

The Company is a party to an agreement with another mortgage loan originator in which the Company holds a non-controlling equity investment, whereby the Company purchases residential mortgage loans that satisfy certain specified criteria (the "Related Party Loan Purchase Agreement"). As of September 30, 2026 and December 31, 2025, the fair value of the Company's investment in such mortgage loan originator was $3.0 million and $1.5 million, respectively.

The Company has entered into various agreements with a residential mortgage loan originator (the "RTL Originator") in which it holds a non-controlling equity investment. Under the terms of such agreements, the Company has the option to purchase additional non-controlling equity interests at certain valuation thresholds. The Company also entered into a Commitment Letter Agreement (the "RTL Commitment Agreement") whereby it committed to purchase eligible loans originated by the RTL Originator; see Note 24, Commitments and Contingencies, for further information on the Company's commitment under the RTL Commitment Agreement. The RTL Originator has been determined to be a VIE. The Company has evaluated the RTL Originator and determined that the Company is not the primary beneficiary of the RTL Originator. As of both September 30, 2026 and December 31, 2025, the fair value of the Company's non-controlling equity investment in the RTL Originator was $0.6 million, which is included on the Consolidated Balance Sheet in Investments in unconsolidated entities, at fair value.

The Company has entered into various agreements with another residential mortgage loan originator (the "Residential Originator") which included acquiring a minority stake in such originator. Under the terms of such agreements, the Company provided financing, in the form of a secured promissory note (the "Residential Originator Note"), under which the Residential Originator can borrow up to $14.0 million. The Residential Originator Note is subject to an interest rate of 10% per annum through May 2025 and then 15% per annum until maturity on December 1, 2029. As of September 30, 2026 and December 31, 2025, the outstanding balance and fair value of the Residential Originator Note was $12.8 million and $14.0 million, respectively, which is included in Loans, at fair value on the Consolidated Balance Sheet. The Company also entered into a Forward Commitment Letter Agreement (the "Residential Commitment Agreement") whereby it committed to purchase eligible loans originated by the Residential Originator; see Note 24, Commitments and Contingencies, for further information on the Company's commitment under the Residential Commitment Agreement and the Residential Originator Note. The Residential Originator has been determined to be a VIE. The Company has evaluated the Residential Originator and determined that the Company is not the primary beneficiary of the Residential Originator. As of September 30, 2026 and December 31, 2025, the fair value of the Company's non-controlling equity investment in the Residential Originator was $1.9 million and $2.3 million, respectively.

The Company holds an investment in common and preferred stock of a consumer loan originator (the "Consumer Loan Originator"). An employee of Ellington, who serves as an officer of the Company, also serves on the board of the Consumer Loan Originator, as the Company's representative. In January 2025, the Company entered into a Loan and Security Agreement whereby the Company extended a revolving line of credit to the Consumer Loan Originator of up to $1.0 million (the "Consumer LOC") which matures in January 2028. The outstanding borrowing under the Consumer LOC is subject to a floating interest rate equal to one-month SOFR plus 4.00% per annum. As of September 30, 2026 and December 31, 2025, outstanding advances under the Consumer LOC were $0.8 million and $0.2 million, respectively. The Company, through a wholly-owned trust subsidiary, and the Consumer Loan Originator, entered into an amended consumer loan purchase and sale flow agreement (the "Amended PSFA") whereby the Company purchases consumer loans that satisfy certain specified criteria. The Company has beneficial interests in the loan cash flows, net of servicing-related fees and expenses, including financing expenses. As discussed in Note 14, the Company has entered into a secured revolving borrowing facility to finance certain of its consumer loans. As of September 30, 2026 and December 31, 2025, the total fair value of the Company's beneficial interests was $51.3 million and $53.1 million, respectively, which is included in Securities, at fair value on the Consolidated Balance Sheet.

The following table provides details of financing that the Company has provided, in the form of secured promissory notes, to certain other loan origination-related entities in which the Company also holds equity investments.

			Interest Rate as of		Outstanding Borrowings as of		Fair Value[1] as of	
Effective Date of Promissory Note	Maturity Date of Promissory Note	Maximum Borrowing	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025	September 30, 2026	December 31, 2025
		(In thousands)				*(In thousands)*		
February 2022[2]	December 31, 2026	$ 750	7.0%	7.0%	$ 608	$ 575	$ 608	$ 575
June 2025[3]	June 9, 2028	2,500	9.9%	9.0%	2,500	1,750	2,500	1,750
January 2025	December 31, 2030	20,000	10.0%	10.0%	8,051	4,150	8,051	4,150
December 2025	December 31, 2027	3,000	9.0%	9.0%	3,000	—	3,000	—

(1) Classified as a Corporate loan and is included in Loans, at fair value on the Consolidated Balance Sheet.
(2) Promissory note was amended in December 2025 extending the maturity date.
(3) Promissory note was amended subsequent to December 31, 2025 increasing the maximum borrowing from $1.75 million (the "Original Maximum"); the applicable interest rate for borrowings up to the Original Maximum remains 9%; any borrowings exceeding the Original Maximum are subject to an interest rate of 12%.

Consumer, Residential, and Commercial Loan Transactions with Affiliates

The Company purchased certain of its consumer loans through an affiliate (the "Purchasing Entity") under various purchase agreements. The Company's beneficial interests in the consumer loans purchased through the Purchasing Entity are evidenced by participation certificates issued by trusts that hold legal title to the loans. These trusts are owned by a related party of Ellington and were established to hold such loans. Through its participation certificates, the Company participates in the cash flows of the underlying loans held by each trust. The total amount of consumer loans underlying the Company's participation certificates and held in the related party trust was $0.1 million and $0.2 million as of September 30, 2026 and December 31, 2025, respectively.

The Company has beneficial interests in residential mortgage loans and REO held in a trust owned by a related party of Ellington. Through these beneficial interests, the Company participates in the cash flows of the underlying loans held by such trust. The total amount of residential mortgage loans and REO underlying the Company's beneficial interests and held in the related party trust was $2.2 billion and $2.1 billion as of September 30, 2026 and December 31, 2025, respectively.

The Company is a co-investor in certain commercial mortgage loans and REO with other investors, including various unrelated third parties and various affiliates of Ellington. Each co-investor in a particular loan has an interest in the limited liability company that owns such loan or REO. As of September 30, 2026 and December 31, 2025, the aggregate fair value of the Company's investments in the jointly owned limited liability companies was approximately $133.2 million and $101.1 million, respectively. Such investments are included in Investments in unconsolidated entities, on the Consolidated Balance Sheet.

The consumer, residential mortgage, and certain commercial mortgage loans that are the subject of the foregoing loan transactions are held in trusts, each of which the Company has determined to be a VIE. The Company has evaluated each of these VIEs and determined that the Company has the power to direct the activities of each VIE that most significantly impact such VIE's economic performance and the Company has the obligation to absorb losses of the VIE or the right to receive

benefits from the VIE that could potentially be significant to the VIE. As a result, the Company has determined it is the primary beneficiary of each of these VIEs and has consolidated each VIE.

Participation in Multi-Borrower Financing Facilities

The Company is a co-participant with certain other entities managed by Ellington or its affiliates (the "Affiliated Entities") in various entities (each, a "Joint Entity"), which were formed in order to facilitate the financing of commercial mortgage loans, residential mortgage loans, and REO (collectively, the "Mortgage Loan and REO Assets"), through repurchase agreements. Each Joint Entity has a master repurchase agreement with a particular financing counterparty.

In connection with the financing of the Mortgage Loan and REO Assets under repurchase agreements, each of the Company and the Affiliated Entities transferred certain of their respective Mortgage Loan and REO Assets to one of the Joint Entities in exchange for its pro rata share of the financing proceeds that the respective Joint Entity received from the financing counterparty. While the Company's Mortgage Loan and REO Assets were transferred to the Joint Entity, the Company's Mortgage Loan and REO Assets and the related debt were not derecognized for financial reporting purposes, in accordance with ASC 860-10, because the Company continued to retain the risks and rewards of ownership of its Mortgage Loan and REO Assets. As of September 30, 2026 and December 31, 2025, the Joint Entities had aggregate outstanding issued debt under the repurchase agreements in the amount of $1.16 billion and $872.6 million, respectively. The Company's segregated silo of this debt as of September 30, 2026 and December 31, 2025, was $530.2 million and $383.2 million, respectively, and is included under the caption Repurchase agreements on the Company's Consolidated Balance Sheet. To the extent that there is a default under the repurchase agreements, all of the assets of each respective Joint Entity, including those beneficially owned by any non-defaulting owners of such Joint Entity, could be used to satisfy the outstanding obligations under such repurchase agreement. As of both September 30, 2026 and December 31, 2025, no party to any of the repurchase agreements was in default.

Each of the Joint Entities has been determined to be a VIE. The Company has evaluated each of these VIEs and determined that it continued to retain the risks and rewards of ownership of certain of the Mortgage Loan and REO Assets, where such Mortgage Loan and REO Assets and the related debt are segregated for the Company and each of the Affiliated Entities. On account of the segregation of certain of each co-participant's assets and liabilities within each of the Joint Entities, as well as the retention by each co-participant of control over its segregated Mortgage Loan and REO Assets within the Joint Entities, the Company has determined that it is the primary beneficiary of, and has consolidated its segregated silo of assets and liabilities within, each of the Joint Entities. See Note 12 and Note 14 for additional information.

Participation in CLO Transactions

As discussed in Note 13, the Company participated in the Ellington-sponsored CLO Securitizations. The CLO Manager is entitled to receive management and incentive fees in accordance with the respective management agreements between the CLO Manager and the respective CLO Issuers. In accordance with the Management Agreement, the Manager rebates to the Company the portion of the management fees payable by each CLO Issuer to the CLO Manager that are allocable to the Company's participating interest in the unsecured subordinated notes issued by such CLO Issuer. For the three-month periods ended September 30, 2026 and 2025, the amount of such management fee rebates was $22 thousand and $36 thousand, respectively. For each of the nine-month periods ended September 30, 2026 and 2025, the amount of such management fee rebates was $0.1 million.

During the three- and nine-month periods ended September 30, 2026, the Company purchased $0.6 million and $3.8 million, respectively, of various underperforming corporate debt securities from certain of the Ellington-sponsored CLO Securitizations. During the three- and nine-month periods ended September 30, 2025, the Company purchased $0.1 million and $1.1 million, respectively, of various underperforming corporate debt securities from certain of the Ellington-sponsored CLO Securitizations. Such purchases are effected at market prices determined through the procedures set forth in the indentures of the respective Ellington-sponsored CLO Securitizations.

Investment in Affiliate

The Company has an investment in the common shares of Ellington Real Estate Income Trust, Inc. (the "Affiliated REIT"), which is an affiliate of the Company managed by an affiliate of Ellington (the "Affiliate REIT Manager"). The Company, Ellington, and various unrelated third parties (collectively, the "Affiliated REIT Founding Investors") entered into various agreements committing to invest in the common stock of the Affiliated REIT. The Company has contributed $25.0 million and has no remaining commitment to fund any additional capital calls of the Affiliated REIT. As of September 30, 2026 and December 31, 2025, the fair value of the Company's investment in the Affiliated REIT was $28.7 million and $26.5 million, respectively. In accordance with the management agreement between the Affiliated REIT and the Affiliate REIT Manager (the "REIT Management Agreement"), investors pay a quarterly base management fee and, if certain performance hurdles are met, a performance fee. In accordance with the Management Agreement, the Manager rebates

to the Company the applicable portion of the management fee and performance fee payable to the Affiliate REIT Manager. For the three-month periods ended September 30, 2026 and 2025, the amount of such management fee rebates was $0.2 million and $0.5 million, respectively. For the nine-month periods ended September 30, 2026 and 2025, the amount of such management fee rebates was $0.6 million and $0.5 million, respectively.

In connection with the commitment to contribute capital to the Affiliated REIT, each of the Affiliated REIT Founding Investors entered into an agreement with the Affiliate REIT Manager whereby each of the Affiliated REIT Founding Investors participates in a net revenue share arrangement based on each Affiliated REIT Founding Investor's pro rata share of the Affiliated REIT's initial capital (the "Revenue Share Arrangement"). Under the terms of the Revenue Share Arrangement, each of the Affiliated REIT Founding Investors, including the Company, is entitled to receive from the Affiliate REIT Manager an amount equal to the product of (i) a fixed percentage and (ii) the management and performance fees earned by, less certain expenses incurred by, the Affiliate REIT Manager. The Revenue Share Arrangement will continue in perpetuity for each Affiliated REIT Founding Investor given (i) such Affiliated REIT Founding Investor has not defaulted on its obligation to fund its capital calls, and (ii) the REIT Management Agreement has not been terminated or is not renewed. To the extent that the net revenue share received by the Company is less than the management fees and performance fees incurred by the Company with respect to its investment in the Affiliated REIT, the Manager will rebate to the Company such difference.

The directors of the Affiliated REIT include: Michael Vranos, the Company's Co-Chief Investment Officer; Laurence Penn, the Company's Chief Executive Officer and President and a member of the Board of Directors; and Mark Tecotzky, the Company's Co-Chief Investment Officer. The Company has evaluated its interests in the Affiliated REIT, which is a VIE. Because the Company does not have the power to direct the activities that most significantly impact the Affiliated REIT's economic performance, the Company determined that it is not the primary beneficiary of the Affiliated REIT.

17. Long-Term Incentive Plan Units

OP LTIP Units issued under the Company's incentive plans are generally exercisable by the holder at any time after vesting. Each OP LTIP Unit is convertible into an OP Unit on a one-for-one basis. Subject to certain conditions, the OP Units are redeemable by the holder for an equivalent number of shares of common stock of the Company or for the cash value of such shares of common stock, at the Company's election. Costs associated with the OP LTIP Units issued under the Company's incentive plans are measured as of the grant date and expensed ratably over the vesting period. Total expense associated with OP LTIP Units issued under the Company's incentive plans is presented in Compensation and benefits, on the Consolidated Statement of Operations. Total expense associated with OP LTIP Units issued under the Company's incentive plans for the three-month periods ended September 30, 2026 and 2025 was $1.5 million and $1.0 million, respectively. Total expense associated with OP LTIP Units issued under the Company's incentive plans for the nine-month periods ended September 30, 2026 and 2025 was $4.0 million and $2.3 million, respectively.

The below table details unvested OP LTIP Units as of September 30, 2026:

Grant Recipient	Number of Unvested OP LTIP Units	Grant Date	Vesting Date[1]
Directors:			
	20,362	September 9, 2026	September 8, 2027
Dedicated or partially dedicated personnel:			
	18,383	December 12, 2024	December 12, 2026
	62,172	March 19, 2025	December 31, 2026
	33,506	December 17, 2025	December 16, 2026
	28,405	December 17, 2025	December 16, 2027
	95,598	March 16, 2026	December 31, 2027
	320,039	March 18, 2026	March 18, 2027
Total unvested OP LTIP Units at September 30, 2026	578,465		

(1) Date at which such OP LTIP Units will vest and become non-forfeitable.

The following table summarizes activity related to OP LTIP Units for the three- and nine-month periods ended September 30, 2026 and 2025:

	Three-Month Period Ended					
	September 30, 2026			September 30, 2025		
	Manager	Director/ Employee	Total	Manager	Director/ Employee	Total
OP LTIP Units outstanding—Beginning balance	365,518	1,209,791	1,575,309	365,518	721,504	1,087,022
Issued	—	20,362	20,362	—	18,396	18,396
OP LTIP Units outstanding—Ending balance	365,518	1,230,153	1,595,671	365,518	739,900	1,105,418
OP LTIP Units unvested and outstanding	—	578,465	578,465	—	364,902	364,902
OP LTIP Units vested and outstanding	365,518	651,688	1,017,206	365,518	374,998	740,516

	Nine-Month Period Ended					
	September 30, 2026			September 30, 2025		
	Manager	Director/ Employee	Total	Manager	Director/ Employee	Total
OP LTIP Units outstanding—Beginning balance	365,518	794,154	1,159,672	365,518	481,102	846,620
Issued	—	435,999	435,999	—	258,798	258,798
OP LTIP Units outstanding—Ending balance	365,518	1,230,153	1,595,671	365,518	739,900	1,105,418
OP LTIP Units unvested and outstanding	—	578,465	578,465	—	364,902	364,902
OP LTIP Units vested and outstanding	365,518	651,688	1,017,206	365,518	374,998	740,516

As of September 30, 2026, there were an aggregate of 11,790,548 shares of common stock of the Company underlying awards, including OP LTIP Units, available for future issuance under the Company's 2026 Equity Incentive Plan. As of December 31, 2025, there were an aggregate of 944,120 shares of common stock of the Company underlying awards, including OP LTIP Units, available for future issuance under the Company's 2017 Equity Incentive Plan.

18. Non-controlling Interests

Convertible Non-controlling Interests

Non-controlling interests include the Convertible Non-controlling Interests in the Operating Partnership, which are owned by an affiliate of the Manager, members of the Board of Directors, and certain current and former Ellington employees and their related parties in the form of OP LTIP Units. Income allocated to Convertible Non-controlling Interests is based on the non-controlling interest owners' ownership percentage of the Operating Partnership during the period, calculated using a daily weighted average of all shares of common stock of the Company and Convertible Non-controlling Interests outstanding during the period. Holders of Convertible Non-controlling Interests are entitled to receive the same distributions that holders of shares of common stock of the Company receive. Convertible Non-controlling Interests are non-voting with respect to matters as to which holders of common stock of the Company are entitled to vote.

As of September 30, 2026, the Convertible Non-controlling Interests consisted of the outstanding 1,595,671 OP LTIP Units and 46,360 OP Units, and represented an interest of approximately 1.1% in the Operating Partnership. As of December 31, 2025, the Convertible Non-controlling Interests consisted of the outstanding 1,159,672 OP LTIP Units and 46,360 OP Units, and represented an interest of approximately 0.9% in the Operating Partnership. As of September 30, 2026 and December 31, 2025, non-controlling interests related to all outstanding Convertible Non-controlling Interests was $22.3 million and $16.0 million, respectively.

Non-convertible Non-controlling Interests

Non-controlling interests also include interests held by third parties in various other consolidated subsidiaries of the Company. Each of these interests only participate in the income, expense, gains, and losses of the related consolidated subsidiary; they are not convertible into shares of common stock of the Company or OP Units, nor are the third parties entitled to receive distributions that a holder of shares of common stock of the Company receive.

Non-convertible non-controlling interests include interests held by joint venture partners in various subsidiaries that hold the Company's investments in certain commercial mortgage loans and REO. The joint venture partners make capital contributions to the subsidiaries as new approved investments are purchased by the subsidiaries, and are generally entitled to distributions when investments are sold or otherwise disposed of. As of September 30, 2026 and December 31, 2025, the joint venture partners' interests in subsidiaries of the Company were $17.6 million and $20.8 million, respectively.

Non-convertible non-controlling interests also include the membership interests in Statebridge Company, LLC ("Statebridge"), a diversified loan servicing company that was acquired by the Company in September 2026; these interests are held by various executive officers of Statebridge (the "Statebridge Executives"). As of September 30, 2026, the Company owned 80.0% of Statebridge, the remaining 20% owned by the Statebridge Executives. As of September 30, 2026, the Statebridge Executives' interests in Statebridge were $2.0 million.

19. Equity

Preferred Stock

The Company has authorized 100,000,000 shares of preferred stock, $0.001 par value per share. As of September 30, 2026 and December 31, 2025, the total amount of cumulative preferred dividends in arrears was $2.7 million and $4.6 million, respectively.

As of December 31, 2025, there were 4,600,000 shares of 6.750% Series A Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, $0.001 par value per share ("Series A Preferred Stock") outstanding. On February 27, 2026 (the "Redemption Date"), the Company redeemed all 4,600,000 outstanding shares of Series A Preferred Stock at a price of $115.8 million, or $25.17742 per share, based on the liquidation preference of $25.00 per share, plus accrued and unpaid dividends up to, but not including, the Redemption Date; any rights of the holders of the Series A Preferred Stock have ceased. The Series A Preferred Stock was subsequently delisted from the NYSE.

As of September 30, 2026 and December 31, 2025, there were 4,820,421 shares of 6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Stock, $0.001 par value per share ("Series B Preferred Stock") outstanding.

As of September 30, 2026 and December 31, 2025, there were 4,000,000 shares of 8.625% Series C Fixed-Rate Reset Cumulative Redeemable Preferred Stock, $0.001 par value per share ("Series C Preferred Stock") outstanding.

As of September 30, 2026 and December 31, 2025, there were 379,668 shares of 7.00% Series D Cumulative Perpetual Redeemable Preferred Stock, $0.001 par value per share ("Series D Preferred Stock") outstanding.

The Company has commenced an "at-the-market" offering for the Series B Preferred Stock (the "Preferred ATM Program"), in connection with which it has entered into equity distribution agreements with sales agents under which it is authorized to offer and sell up to $100.0 million of Series B Preferred Stock from time to time. The Company did not issue any shares of preferred stock under the Preferred ATM Program during either of the three-month periods ended September 30, 2026 or 2025. As of September 30, 2026, the Company had remaining authorization under the Preferred ATM Program of $99.5 million.

The Company's Series A Preferred Stock (for periods when it was outstanding), Series B Preferred Stock, Series C Preferred Stock, and Series D Preferred Stock (collectively the "Series Preferred Stock") rank senior to its common stock and Convertible Non-controlling Interests. Each Series Preferred Stock ranks on a parity with all other Series Preferred Stock with respect to the payment of dividends and the distribution of assets upon a voluntary or involuntary liquidation, dissolution, or winding up of the Company.

Series B

The Company's Series B Preferred Stock has no stated maturity and is not subject to any sinking fund or mandatory redemption. The Series B Preferred Stock is not redeemable by the Company prior to January 30, 2027, except under circumstances where it is necessary to allow the Company to maintain its qualification as a REIT for U.S. federal income tax purposes and except in certain instances upon the occurrence of a change of control. Holders of the Company's Series B Preferred Stock generally do not have any voting rights.

Holders of the Series B Preferred Stock are entitled to receive cumulative cash dividends from and including the original issue date to, but excluding, January 30, 2027 (the "Series B First Reset Date"), at a fixed rate equal to 6.250% per annum of the $25.00 per share liquidation preference. The applicable fixed rate resets on the Series B First Reset Date and again on the fifth anniversary of the preceding reset date (each a "Series B Reset Date"), at a rate equal to the five-year treasury rate as measured three business days prior to the Series B Reset Date plus 4.99% per annum of the $25.00 per share liquidation preference. Dividends are payable quarterly in arrears on or about the 30th day of each January, April, July, and October.

Series C

The Company's Series C Preferred Stock has no stated maturity and is not subject to any sinking fund or mandatory redemption. The Series C Preferred Stock is not redeemable by the Company prior to April 30, 2028, except under circumstances where it is necessary to allow the Company to maintain its qualification as a REIT for U.S. federal income tax

purposes and except in certain instances upon the occurrence of a change of control. Holders of the Company's Series C Preferred Stock generally do not have any voting rights.

Holders of the Series C Preferred Stock are entitled to receive cumulative cash dividends from and including the original issue date to, but excluding, April 30, 2028 (the "Series C First Reset Date"), at a fixed rate equal to 8.625% per annum of the $25.00 per share liquidation preference. The applicable fixed rate resets on the Series C First Reset Date and again on the fifth anniversary of the preceding reset date (each a "Series C Reset Date"), at a rate equal to the five-year treasury rate as measured three business days prior to the Series C Reset Date plus 5.13% per annum of the $25.00 per share liquidation preference. Dividends are payable quarterly in arrears on or about the 30th day of each January, April, July, and October.

Series D

The Company's Series D Preferred Stock has no stated maturity and is not subject to any sinking fund. The Series D Preferred Stock is redeemable by the Company at its discretion upon not less than 30 nor more than 60 days' notice. Holders of the Company's Series D Preferred Stock generally do not have any voting rights.

Holders of the Series D Preferred Stock are entitled to receive cumulative cash dividends from and including September 30, 2023, at a fixed rate equal to 7.000% per annum of the $25.00 per share liquidation preference. Dividends are payable quarterly in arrears on or about the 30th day of each March, June, September, and December.

Common Stock

The Company has authorized 300,000,000 shares of common stock, $0.001 par value per share as of September 30, 2026. The Board of Directors may authorize the issuance of additional shares, subject to the approval of the holders of at least a majority of the shares of common stock then outstanding. As of September 30, 2026 and December 31, 2025, there were 130,116,611 and 113,138,860 shares of common stock outstanding, respectively.

Included in shares of common stock outstanding as of September 30, 2026 and December 31, 2025, are 20,362 and 18,396, respectively, of unvested restricted shares of common stock that are subject to forfeiture restrictions. Such common shares were issued to certain of the Company's directors in accordance with the Company's 2026 and 2017 Equity Incentive Plans, respectively. Costs associated with restricted common stock issued under the Company's incentive plans are measured as of the grant date and expensed ratably over the vesting period. Such expenses are presented in Compensation and benefits, on the Consolidated Statement of Operations. Total expense associated with restricted common stock issued under the Company's incentive plans for each of the three-month periods ended September 30, 2026 and 2025 was $0.1 million. Total expense associated with restricted common stock issued under the Company's incentive plans for each of the nine-month periods ended September 30, 2026 and 2025 was $0.2 million.

The below table details unvested restricted common stock as of September 30, 2026:

Grant Recipient	Number of Shares of Unvested Restricted Common Stock	Grant Date	Vesting Date[(1)]
Directors:			
	20,362	September 9, 2026	September 8, 2027
Total unvested restricted shares of common stock at September 30, 2026	20,362		

(1) Date at which such common shares will vest and become non-forfeitable.

On January 28, 2026, the Company completed a follow-on offering of 8,775,000 shares of our common stock. The issuance and sale of such shares of common stock generated net proceeds, after underwriters' discounts and commissions and offering costs, of $117.2 million.

The Company has an "at-the-market" offering program for shares of its common stock (the "Common ATM Program"), in connection with which it has entered into equity distribution agreements with sales agents. Under the current equity distribution agreements the Company is authorized to offer and sell up to $500.0 million of common stock from time to time. During the three-month period ended September 30, 2026, the Company issued 2,496,140 shares of common stock under the Common ATM Program which provided $33.7 million of net proceeds after $0.3 million of agent commissions and offering costs. During the three-month period ended September 30, 2025, the Company issued 8,156,876 shares of common stock under the Common ATM Program which provided $110.0 million of net proceeds after $0.9 million of agent commissions and offering costs. During the nine-month period ended September 30, 2026, the Company issued 8,013,661 shares of common stock under the Common ATM Program which provided $108.4 million of net proceeds after $0.9 million of agent commissions and offering costs. During the nine-month period ended September 30, 2025, the Company issued 15,335,664 shares of common

stock under the Common ATM Program which provided $205.4 million of net proceeds after $1.7 million of agent commissions and offering costs. As of September 30, 2026, the Company had a remaining authorization to issue $386.0 million of common shares.

The following table summarizes issuance, repurchase, and other activity with respect to the Company's common stock for the three- and nine-month periods ended September 30, 2026 and 2025:

	Three-Month Period Ended		Nine-Month Period Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Shares of Common Stock Outstanding—Beginning Balance	127,593,315	97,891,157	113,138,860	90,678,492
Share Activity:				
Shares of common stock issued	2,496,140	8,156,876	16,788,661	15,335,664
Shares of common stock issued in connection with incentive fee payment	6,794	—	168,728	33,877
Restricted common stock issued under equity incentive plan	20,362	18,396	20,362	18,396
Shares of Common Stock Outstanding—Ending Balance	130,116,611	106,066,429	130,116,611	106,066,429

If all Convertible Non-controlling Interests that have been previously issued were to become fully vested and exchanged for shares of common stock as of September 30, 2026 and December 31, 2025, the Company's issued and outstanding shares of common stock would increase to 131,758,642 and 114,344,892 shares, respectively.

In March 2023, the Board of Directors approved the adoption of a share repurchase program under which the Company is authorized to repurchase up to $50 million of the Company's common stock (the "2023 Repurchase Plan"), which extended the Company's ability to repurchase common stock beyond the 1.55 million shares authorized under the previous plan. The 2023 Repurchase Plan is open-ended in duration and allows the Company to make repurchases from time to time on the open market or in negotiated transactions, including under Rule 10b5-1 plans. Repurchases under the 2023 Repurchase Plan are at the Company's discretion, subject to applicable law, share availability, price and financial performance, among other considerations. No shares were repurchased during either of the three- or nine-month periods ended September 30, 2026 and 2025. As of September 30, 2026, the Company has authorization to repurchase an additional $45.1 million of the Company's common stock under the 2023 Repurchase Plan.

Distributions to Stockholders

The following table summarizes cash dividends accrued by the Company on its common and preferred stock during the three- and nine-month periods ended September 30, 2026 and 2025:

	Three-Month Period Ended				Nine-Month Period Ended			
(In thousands, except per share amounts)	September 30, 2026		September 30, 2025		September 30, 2026		September 30, 2025	
Class of Stock	**Amount**	**Per Share**	**Amount**	**Per Share**	**Amount**	**Per Share**	**Amount**	**Per Share**
Series A Preferred Stock	$ —	$ —	$ 2,869	$ 0.62	$ 1,678	$ 0.36	$ 8,529	$ 1.85
Series B Preferred Stock	1,883	0.39	1,883	0.39	5,649	1.17	5,649	1.17
Series C Preferred Stock	2,156	0.54	2,156	0.54	6,468	1.62	6,468	1.62
Series D Preferred Stock	166	0.44	166	0.44	498	1.31	498	1.31
Common Stock	51,219	0.39	40,625	0.39	150,214	1.17	114,953	1.17

20. Earnings Per Share

The components of the computation of basic and diluted EPS are as follows:

(In thousands except share amounts)	Three-Month Period Ended		Nine-Month Period Ended	
	September 30, 2026	September 30, 2025	September 30, 2026	September 30, 2025
Net income (loss) attributable to common stockholders	$ 40,382	$ 29,504	$ 190,252	$ 104,076
Add: Net income (loss) attributable to Convertible Non-controlling Interests[(1)]	508	330	2,208	1,158
Net income (loss) attributable to common stockholders and Convertible Non-controlling Interests	40,890	29,834	192,460	105,234
Dividends declared:				
Common stockholders	(50,583)	(40,180)	(148,422)	(113,687)
Convertible Non-controlling Interests	(636)	(445)	(1,792)	(1,266)
Total dividends declared to common stockholders and Convertible Non-controlling Interests	(51,219)	(40,625)	(150,214)	(114,953)
Undistributed (Distributed in excess of) earnings:				
Common stockholders	(10,201)	(10,676)	41,830	(9,611)
Convertible Non-controlling Interests	(128)	(115)	416	(108)
Total undistributed (distributed in excess of) earnings attributable to common stockholders and Convertible Non-controlling Interests	$ (10,329)	$ (10,791)	$ 42,246	$ (9,719)
Weighted average shares outstanding (basic and diluted):				
Weighted average shares of common stock outstanding	129,383,665	101,588,583	125,605,543	96,387,264
Weighted average Convertible Non-controlling Interest Units outstanding	1,626,538	1,137,581	1,508,302	1,066,991
Weighted average shares of common stock and Convertible Non-controlling Interest Units outstanding	131,010,203	102,726,164	127,113,845	97,454,255
Basic earnings per share of common stock and Convertible Non-controlling Interest Unit:				
Distributed	$ 0.39	$ 0.39	$ 1.17	$ 1.17
Undistributed (Distributed in excess of)	(0.08)	(0.10)	0.34	(0.09)
	$ 0.31	$ 0.29	$ 1.51	$ 1.08
Diluted earnings per share of common stock and Convertible Non-controlling Interest Unit:				
Distributed	$ 0.39	$ 0.39	$ 1.17	$ 1.17
Undistributed (Distributed in excess of)	(0.08)	(0.10)	0.34	(0.09)
	$ 0.31	$ 0.29	$ 1.51	$ 1.08

(1) For the three- and nine-month periods ended September 30, 2026, excludes $0.8 million and $0.7 million, respectively, attributable to non-convertible non-participating interests. For the three- and nine-month periods ended September 30, 2025, excludes net income (loss) of $0.9 million and $1.8 million, respectively, attributable to non-convertible non-participating interests. See Note 18 for additional details.

21. Restricted Cash

Restricted cash represents cash that the Company can use only for specific purposes. As of September 30, 2026 and December 31, 2025, the Company had $33.2 million and $136.3 million of restricted cash including cash balances that are restricted under a warehouse line of credit agreement and cash held in securitization reserve and loan accumulation funds.

22. Offsetting of Assets and Liabilities

The Company generally records financial instruments at fair value as described in Note 2. Financial instruments are generally recorded on a gross basis on the Consolidated Balance Sheet. In connection with the vast majority of its derivative, reverse repurchase and repurchase agreements, and the related trading agreements, the Company and its counterparties are required to pledge collateral. Cash or other collateral is exchanged as required with each of the Company's counterparties in connection with open derivative positions, and reverse repurchase and repurchase agreements.

The Company has not entered into master netting agreements with any of its counterparties. Certain of the Company's reverse repurchase and repurchase agreements and financial derivative transactions are governed by underlying agreements that

generally provide a right of net settlement, as well as a right of offset in the event of default or in the event of a bankruptcy of either party to the transaction.

The following tables present information about certain assets and liabilities representing financial instruments as of September 30, 2026 and December 31, 2025.

September 30, 2026:

Description	Amount of Assets (Liabilities) Presented in the Consolidated Balance Sheet[1]	Financial Instruments Available for Offset	Financial Instruments Transferred or Pledged as Collateral[2][3]	Cash Collateral (Received) Pledged[2][3]	Net Amount
(In thousands)					
Assets					
Financial derivatives–assets	$ 346,562	$ (190,779)	$ —	$ (61,403)	$ 94,380
Reverse repurchase agreements	661,830	(121,187)	(540,643)	—	—
Liabilities					
Financial derivatives–liabilities	(195,319)	190,779	—	1,821	(2,719)
Repurchase agreements	(3,570,514)	121,187	3,429,747	19,580	—

(1) In the Company's Consolidated Balance Sheet, all balances associated with repurchase agreements, reverse repurchase agreements, and financial derivatives are presented on a gross basis.
(2) For the purpose of this presentation, for each row the total amount of financial instruments transferred or pledged and cash collateral (received) or pledged may not exceed the applicable gross amount of assets or (liabilities) as presented here. Therefore, the Company has reduced the amount of financial instruments transferred or pledged as collateral related to the Company's repurchase agreements and cash collateral pledged on the Company's financial derivative liabilities. Total financial instruments transferred or pledged as collateral on the Company's repurchase agreements as of September 30, 2026 was $4.3 billion. As of September 30, 2026, total cash collateral on financial derivative assets and liabilities excludes excess net cash collateral pledged (received) of $4.1 million and $(2.3) million, respectively.
(3) When collateral is pledged to or pledged by a counterparty, it is often pledged or posted with respect to all positions with such counterparty, and in such cases such collateral cannot be specifically identified as relating to a particular asset or liability. As a result, in preparing the above tables, the Company has made assumptions in allocating pledged or posted collateral among the various rows.

December 31, 2025:

Description	Amount of Assets (Liabilities) Presented in the Consolidated Balance Sheet[1]	Financial Instruments Available for Offset	Financial Instruments Transferred or Pledged as Collateral[2][3]	Cash Collateral (Received) Pledged[2][3]	Net Amount
(In thousands)					
Assets					
Financial derivatives–assets	$ 142,723	$ (42,709)	$ —	$ (37,843)	$ 62,171
Reverse repurchase agreements	453,037	(24,349)	(428,688)	—	—
Liabilities					
Financial derivatives–liabilities	(53,073)	42,709	—	9,976	(388)
Repurchase agreements	(2,655,444)	24,349	2,624,163	6,932	—

(1) In the Company's Consolidated Balance Sheet, all balances associated with repurchase agreements, reverse repurchase agreements, and financial derivatives are presented on a gross basis.
(2) For the purpose of this presentation, for each row the total amount of financial instruments transferred or pledged and cash collateral (received) or pledged may not exceed the applicable gross amount of assets or (liabilities) as presented here. Therefore, the Company has reduced the amount of financial instruments transferred or pledged as collateral related to the Company's repurchase agreements and cash collateral pledged on the Company's financial derivative liabilities. Total financial instruments transferred or pledged as collateral on the Company's repurchase agreements as of December 31, 2025 was $3.3 billion. As of December 31, 2025, total cash collateral on financial derivative assets and liabilities excludes excess net cash collateral pledged of $3.2 million and $5.4 million, respectively.
(3) When collateral is pledged to or pledged by a counterparty, it is often pledged or posted with respect to all positions with such counterparty, and in such cases such collateral cannot be specifically identified as relating to a particular asset or liability. As a result, in preparing the above tables, the Company has made assumptions in allocating pledged or posted collateral among the various rows.

23. Counterparty Risk

The Company is exposed to concentrations of counterparty risk. It seeks to mitigate such risk by diversifying its exposure among various counterparties, when appropriate. The following table summarizes the Company's exposure to counterparty risk as of September 30, 2026 and December 31, 2025.

September 30, 2026:

	Amount of Exposure	Number of Counterparties with Exposure	Maximum Percentage of Exposure to a Single Counterparty[1]
	(In thousands)		
Cash and cash equivalents	$ 269,485	11	21.6 %
Collateral on repurchase agreements held by dealers[2]	4,316,404	22	14.7 %
Due from brokers	70,690	16	20.3 %
Receivable for securities sold[3]	7,780	4	58.2 %

(1) Each counterparty is a financial institution that the Company believes to be creditworthy as of September 30, 2026.
(2) Includes securities, loans, and REO as well as cash posted as collateral for repurchase agreements.
(3) Included in Investment related receivables on the Consolidated Balance Sheet.

December 31, 2025:

	Amount of Exposure	Number of Counterparties with Exposure	Maximum Percentage of Exposure to a Single Counterparty
	(In thousands)		
Cash and cash equivalents	$ 201,893	10	48.9 %
Collateral on repurchase agreements held by dealers[1]	3,271,751	21	17.7 %
Due from brokers	35,919	18	38.1 %
Receivable for securities sold[2]	1,474	2	84.2 %

(1) Includes securities, loans, and REO as well as cash posted as collateral for repurchase agreements.
(2) Included in Investment related receivables on the Consolidated Balance Sheet.

24. Commitments and Contingencies

The Company provides current directors and officers with a limited indemnification against liabilities arising in connection with the performance of their duties to the Company.

In the normal course of business, the Company may also enter into contracts that contain a variety of representations, warranties, and general indemnifications. The Company's maximum exposure under these arrangements, including future claims that may be made against the Company that have not yet occurred, is unknown. The Company has not incurred any costs to defend lawsuits or settle claims related to these indemnification agreements. As of both September 30, 2026 and December 31, 2025, the Company has no liabilities recorded for these agreements.

The Company's maximum risk of loss from credit events on its securities (excluding Agency securities, which are guaranteed by the issuing government agency or government-sponsored enterprise), loans, and investments in unconsolidated entities is limited to the amount paid for such investment.

Commitments and Contingencies Related to Investments in Residential Mortgage Loans

In connection with certain of the Company's investments in residential mortgage loans, the Company has unfunded commitments in the amount of $451.7 million and $267.9 million as of September 30, 2026 and December 31, 2025, respectively.

Loan Purchase Commitments

The Company is party to mortgage loan purchase and sale flow agreements with various loan originators ("MLPAs"). As of September 30, 2026, the Company had commitments, with a fair value of $(10.2) million, to purchase residential mortgage loans with a principal balance of $593.3 million, subject to completion of satisfactory due diligence and other terms of the respective MLPAs. This includes commitments, with a fair value of $(2.2) million, to purchase residential mortgage loans with a principal balance of $125.7 million, from loan originators in which the Company holds an equity interest. This compares to total commitments as of December 31, 2025, with a fair value of $(41) thousand, to purchase residential mortgage loans with a principal balance of $648.9 million, which includes commitments, with a fair value of $(78) thousand, to purchase residential mortgage loans with a principal balance of $147.5 million, from loan originators in which the Company holds an equity interest.

The Company's loan purchase commitments are included in Other assets or Accrued expenses and other liabilities, on the Condensed Consolidated Balance Sheet.

Commitments and Contingencies Related to Investments in Loan Originators

In connection with certain of its investments in mortgage and consumer loan originators, the Company has outstanding commitments and contingencies as described below.

As described above in —*Loan Purchase Commitments*, the Company has entered into various MLPAs, including the Related-Party MLPA, as described in Note 16, under which it commits to purchase non-QM loans from a certain mortgage loan originator. As of September 30, 2026 and December 31, 2025, the Company had commitments, subject to the terms of the Related-Party MLPA, to purchase non-QM loans with a principal balance of $68.6 million and $67.0 million, respectively. As of September 30, 2026 and December 31, 2025, the fair value of such loan purchase commitments was $(1.3) million and $(63) thousand, respectively, which is included in Accrued expenses and other liabilities on the Consolidated Balance Sheet. The Company has also entered into agreements whereby it guarantees the performance of this mortgage loan originator under master repurchase agreements. The Company's maximum guarantees were capped at $15.0 million as of both September 30, 2026 and December 31, 2025 and there were no such borrowings outstanding as of either date. The Company's obligations under these arrangements are deemed to be guarantees under ASC 460-10. The Company has elected the FVO for its guarantees, which are included in Accrued expenses and other liabilities on the Consolidated Balance Sheet. As of September 30, 2026 and December 31, 2025, the estimated fair value of such guarantee was insignificant.

As described above in —*Loan Purchase Commitments*, the Company has entered into various MLPAs, including the Related Party Loan Purchase Agreement, as described in Note 16, under which it commits to purchase RTL and non-QM loans from a certain mortgage loan originator. As of September 30, 2026 and December 31, 2025, the Company had commitments, subject to the terms of the Related Party Loan Purchase Agreement, to purchase non-QM loans with a principal balance of $9.8 million and $20.0 million, respectively. As of September 30, 2026 and December 31, 2025, the fair value of such loan purchase commitments was $(0.2) million and $(13) thousand, respectively, which is included in Accrued expenses and other liabilities on the Consolidated Balance Sheet.

As described in Note 16, the Company entered into various secured promissory notes with certain mortgage loan originators in which it also holds equity interests. As of September 30, 2026 and December 31, 2025, the Company had unfunded commitments related to such secured promissory notes of $16.3 million and $25.0 million, respectively.

Commitments and Contingencies Related to Investments in Unconsolidated Entities

The Company has entered into agreements whereby it guarantees the performance of a securitization-related risk retention vehicle, in which it has an equity investment, under a promissory note. The Company's maximum guarantees are capped at $15.5 million. No such amounts were outstanding as of September 30, 2026 or December 31, 2025.

As discussed in Note 16, under the terms of the RTL Commitment Agreement, the Company committed to purchase at least $500 million of eligible loans originated by the RTL Originator. As of September 30, 2026 and December 31, 2025, the Company has unfunded commitments under the RTL Commitment Agreement of $265.6 million and $334.4 million, respectively.

Commitments and Contingencies Related to Corporate Loans

The Company has investments in certain corporate loans (including a loan to an entity accumulating U.K. residential mortgages) whereby the borrowers can request additional funds under the respective agreements. As of September 30, 2026 and December 31, 2025, the Company had unfunded commitments related to such investments in the amount of $24.2 million and $37.7 million, respectively.

As detailed in Note 16, the Company had extended a line of credit to the Consumer Loan Originator whereby the borrower can draw funds up to $1.0 million. As of September 30, 2026 and December 31, 2025, the Company had unfunded commitments related to such line of credit in the amount of $0.2 million and $0.8 million, respectively.

Commitments to Extend Credit

The Company enters into loan commitment arrangements with borrowers and other third parties who have applied for reverse mortgage loans that have not yet closed. As of September 30, 2026 and December 31, 2025, the fair value of such commitments was $9.7 million and $9.1 million, respectively, which is reflected in Loan commitments on the Consolidated Balance Sheet.

The Company is required to fund further borrower advances for loans where the borrower has not fully drawn down all of the reverse mortgage loan proceeds available to them. As of September 30, 2026 and December 31, 2025, the Company had

unfunded commitments related to such reverse mortgage loans of $2.6 billion and $2.3 billion, respectively. Additionally, the Company has the obligation to advance various other reverse mortgage loan-related amounts such as the borrowers' property taxes and, in the case of HECM reverse mortgage loans, monthly insurance premiums to FHA.

Mandatory Repurchase Obligations

As detailed in Note 13, the Company is required to purchase from HMBS pools any HECM loan that has reached 98% of the MCA. For active loans, the Company subsequently assigns such loan to HUD, which then reimburses the Company up to the MCA. For inactive loans, following resolution of the loan, the Company files a claim with HUD for any recoverable remaining principal and advance balances.

Lease Commitments

Longbridge and Statebridge, which are consolidated subsidiaries of the Company, lease office space and office equipment, under various operating lease arrangements, which expire on various dates through January 2035. As discussed in Note 2, the Company makes various assumptions and estimates in recognizing the operating lease ROU assets and corresponding lease liabilities, including the expected lease term, incremental borrowing rate, and identifying lease and non-lease components. Total expense under all operating leases amounted to $0.3 million, for each of the three-month periods ended September 30, 2026 and 2025 and $0.8 million and $0.9 million for the nine-month periods ended September 30, 2026 and 2025, respectively. Such expense is included in Other expenses on the Consolidated Statement of Operations.

The following table provides details of the Company's outstanding leases as of September 30, 2026 and December 31, 2025:

($ in thousands)	**September 30, 2026**	**December 31, 2025**
ROU assets	$ 3,742	$ 3,992
Lease liabilities	$ 4,249	$ 4,502
Weighted average remaining term (in years)	6.3	7.0
Weighted average discount rate	9.18 %	9.22 %

The following table details contractual future minimum lease payments as of September 30, 2026:

	Minimum Payments *(In thousands)*
Year ended December 31, 2026	$ 359
Year ended December 31, 2027	1,001
Year ended December 31, 2028	964
Year ended December 31, 2029	950
Year ended December 31, 2030	479
Thereafter	2,039
Total	5,792
Less: implied interest payments	(1,543)
Lease Liability	$ 4,249

25. Segment Reporting

An operating segment is defined as a component of an entity that (i) engages in business activities from which revenues are recognized and expenses incurred, (ii) has discrete financial information available, and (iii) is evaluated on a regular basis by the Chief Operating Decision Maker (the "CODM") for decision-making purposes, including investment and operating decisions, such as capital and resource allocation decisions; and communicates results, strategy, and other relevant information to the Board of Directors and shareholders. The Company's CODM is, collectively, its Chief Executive Officer and President and its Co-Chief Investment Officers.

The Company has determined that it has two reportable segments, the Investment Portfolio Segment and the Longbridge Segment. The Company’s CODM assesses each segment’s performance and makes investment and operating decisions, based on each segment's contribution of net income, among other metrics.

As discussed in Note 1, the Investment Portfolio Segment includes a diverse array of the Company's financial assets, as well as associated financing, hedging, and various allocable expenses. The Longbridge Segment is primarily focused on the

origination and servicing of, and investment in, reverse mortgage loans, including associated financial assets, financing, hedging, and allocated expenses.

Income and expense items that are not directly allocable to either segment are included in Corporate/Other as reconciling items to the Company's consolidated financial statements. These unallocable items include: (i) all income and expense items related to the Company's Unsecured borrowings, at fair value and preferred stock outstanding, including any hedges related thereto; (ii) management and incentive fees; (iii) income tax expense (benefit); (iv) certain compensation and benefits expenses and various other expenses; and (v) interest income (expense) on cash margin.

The following tables present the Company's results of operations by reportable segment for the three- and nine-month periods ended September 30, 2026 and 2025, and various reconciling items to the Company's results of operations overall. Other segment expenses may include professional, administrative and custody fees, technology- and data-related expenses, marketing expenses, licensing fees, rent and miscellaneous office expenses, and non-cash equity compensation.

	Three-Month Period Ended September 30, 2026			
(In thousands)	**Investment Portfolio Segment**	**Longbridge Segment**	**Corporate/ Other**	**Total**
Interest income	$ 115,989	$ 57,046	$ 1,652	$ 174,687
Total other income (loss)	8,377	42,016	(1,624)	48,769
Significant expenses:				
Interest expense	(55,134)	(39,547)	(11,054)	(105,735)
Base management fee to affiliate (net of fee rebates)	—	—	(7,344)	(7,344)
Incentive fee to affiliate	—	—	(902)	(902)
Investment and transaction related expenses—Servicing expense	(1,792)	(6,638)	—	(8,430)
Investment and transaction related expenses—Other	(3,938)	(7,947)	(2,078)	(13,963)
Compensation and benefits	(3,693)	(23,985)	(911)	(28,589)
Other expenses	—	(8,473)	(4,198)	(12,671)
Net Income (Loss) before Income Tax Expense (Benefit) and Earnings (Losses) from Investments in Unconsolidated Entities	59,809	12,472	(26,459)	45,822
Income tax expense (benefit)	—	—	1,987	1,987
Earnings (losses) from investments in unconsolidated entities	2,098	—	—	2,098
Net Income (Loss)	61,907	12,472	(28,446)	45,933
Net income (loss) attributable to non-controlling interests	834	—	512	1,346
Dividends on preferred stock	—	—	4,205	4,205
Net Income (Loss) Attributable to Common Stockholders	$ 61,073	$ 12,472	$ (33,163)	$ 40,382
Non-cash items:				
Amortization and depreciation expense	$ —	$ 105	$ —	$ 105

(In thousands)	Three-Month Period Ended September 30, 2025			
	Investment Portfolio Segment	Longbridge Segment	Corporate/ Other	Total
Interest income	$ 90,790	$ 30,467	$ 1,589	$ 122,846
Total other income (loss)	(2,077)	38,455	(3,342)	33,036
Significant expenses:				
Interest expense	(46,585)	(22,576)	(3,965)	(73,126)
Base management fee to affiliate (net of fee rebates)	—	—	(6,173)	(6,173)
Investment related expenses—Servicing expense	(1,499)	(5,699)	—	(7,198)
Investment related expenses—Other	(4,178)	(6,437)	—	(10,615)
Compensation and benefits	(1,828)	(18,583)	(1,305)	(21,716)
Other expenses	—	(7,003)	(4,307)	(11,310)
Net Income (Loss) before Income Tax Expense (Benefit) and Earnings (Losses) from Investments in Unconsolidated Entities	34,623	8,624	(17,503)	25,744
Income tax expense (benefit)	—	—	1,060	1,060
Earnings (losses) from investments in unconsolidated entities	13,074	—	—	13,074
Net Income (Loss)	47,697	8,624	(18,563)	37,758
Net income (loss) attributable to non-controlling interests	846	—	334	1,180
Dividends on preferred stock	—	—	7,074	7,074
Net Income (Loss) Attributable to Common Stockholders	$ 46,851	$ 8,624	$ (25,971)	$ 29,504
Non-cash items:				
Amortization and depreciation expense	$ —	$ 286	$ —	$ 286

(In thousands)	Nine-Month Period Ended September 30, 2026			
	Investment Portfolio Segment	Longbridge Segment	Corporate/ Other	Total
Interest income	$ 343,833	$ 146,668	$ 4,525	$ 495,026
Total other income (loss)[(1)]	22,321	194,361	(7,051)	209,631
Significant expenses:				
Interest expense	(158,090)	(100,774)	(33,671)	(292,535)
Base management fee to affiliate (net of fee rebates)	—	—	(21,800)	(21,800)
Incentive fee to affiliate	—	—	(21,043)	(21,043)
Investment and transaction related expenses—Servicing expense	(5,184)	(18,979)	—	(24,163)
Investment and transaction related expenses—Other	(11,536)	(31,043)	(2,078)	(44,657)
Compensation and benefits	(9,620)	(64,741)	(4,432)	(78,793)
Other expenses	—	(25,294)	(12,543)	(37,837)
Net Income (Loss) before Income Tax Expense (Benefit) and Earnings (Losses) from Investments in Unconsolidated Entities	181,724	100,198	(98,093)	183,829
Income tax expense (benefit)	—	—	3,005	3,005
Earnings (losses) from investments in unconsolidated entities	30,637	—	—	30,637
Net Income (Loss)	212,361	100,198	(101,098)	211,461
Net income (loss) attributable to non-controlling interests	730	—	2,220	2,950
Dividends on preferred stock	—	—	14,293	14,293
Issuance costs of redeemed preferred stock	—	—	3,966	3,966
Net Income (Loss) Attributable to Common Stockholders	$ 211,631	$ 100,198	$ (121,577)	$ 190,252
Non-cash items:				
Amortization and depreciation expense	$ —	$ 318	$ —	$ 318

(1) Included in the Longbridge segment is $17.0 million of other income received pursuant to a settlement agreement executed between Longbridge and a third party.

	Nine-Month Period Ended September 30, 2025			
(In thousands)	Investment Portfolio Segment	Longbridge Segment	Corporate/ Other	Total
Interest income	$ 273,806	$ 75,453	$ 4,971	$ 354,230
Total other income (loss)	17,331	108,796	(4,241)	121,886
Significant expenses:				
Interest expense	(146,968)	(58,526)	(12,416)	(217,910)
Base management fee to affiliate (net of fee rebates)	—	—	(18,535)	(18,535)
Incentive fee to affiliate	—	—	(4,533)	(4,533)
Investment and transaction related expenses—Servicing expense	(4,586)	(16,851)	—	(21,437)
Investment and transaction related expenses—Other	(9,377)	(19,274)	—	(28,651)
Compensation and benefits	(6,124)	(49,954)	(3,912)	(59,990)
Other expenses	—	(21,332)	(11,583)	(32,915)
Net Income (Loss) before Income Tax Expense (Benefit) and Earnings (Losses) from Investments in Unconsolidated Entities	124,082	18,312	(50,249)	92,145
Income tax expense (benefit)	—	—	2,439	2,439
Earnings (losses) from investments in unconsolidated entities	38,449	—	—	38,449
Net Income (Loss)	162,531	18,312	(52,688)	128,155
Net income (loss) attributable to non-controlling interests	1,764	—	1,170	2,934
Dividends on preferred stock	—	—	21,145	21,145
Net Income (Loss) Attributable to Common Stockholders	$ 160,767	$ 18,312	$ (75,003)	$ 104,076
Non-cash items:				
Amortization and depreciation expense	$ —	$ 881	$ —	$ 881

The following tables present the Company's balance sheet by reportable segment as of September 30, 2026 and December 31, 2025, which reconciles to the Company's financial position overall.

	September 30, 2026			
(In thousands)	Investment Portfolio Segment	Longbridge Segment	Corporate/ Other	Total
Total Assets	$ 6,999,457	$ 14,647,476	$ 273,470	$ 21,920,403
Total Liabilities	4,742,514	14,246,881	898,002	19,887,397
Total Equity	2,256,943	400,595	(624,532)	2,033,006

	December 31, 2025			
(In thousands)	Investment Portfolio Segment	Longbridge Segment	Corporate/ Other	Total
Total Assets	$ 6,382,070	$ 12,782,482	$ 188,358	$ 19,352,910
Total Liabilities	4,228,911	12,500,150	752,694	17,481,755
Total Equity	2,153,159	282,332	(564,336)	1,871,155

26. Subsequent Events

Dividends Declared

On October 7, 2026, the Board of Directors approved a dividend in the amount of $0.13 per share of common stock payable on November 30, 2026 to stockholders of record as of October 30, 2026.

On November 5, 2026, the Board of Directors approved a dividend in the amount of $0.13 per share of common stock payable on December 31, 2026 to stockholders of record as of November 30, 2026.

Issuance of Common Shares

On November 2, 2026, the Company issued 7,074 common shares to the Manager in connection with the payment of incentive fees incurred for the three-month period ended September 30, 2026.

Repurchase of Common Shares

Subsequent to September 30, 2026, the Company repurchased 329,045 shares of common stock under the 2023 Repurchase Plan, at a total cost including commissions of $3.8 million or an average price per share of $11.46; the Company has remaining authorization to repurchase an additional $41.4 million of the Company's common stock under the 2023 Repurchase Plan.

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

Except where the context suggests otherwise, references in this Quarterly Report on Form 10-Q to "EFC," "we," "us," and "our" refer to Ellington Financial Inc. and its consolidated subsidiaries, including Ellington Financial Operating Partnership LLC, our operating partnership subsidiary, which we refer to as our "Operating Partnership." References in this Quarterly Report on Form 10-Q to (1) "common shares" refer to shares of our common stock, $0.001 par value per share and (2) "common stockholders" refer to holders of shares of our common stock. We conduct all of our operations and business activities through our Operating Partnership. Our "Manager" refers to Ellington Financial Management LLC, our external manager, "Ellington" refers to Ellington Management Group, L.L.C. and its affiliated investment advisory firms, including our Manager, and "Manager Group" refers collectively to officers and directors of EFC, and partners and affiliates of Ellington (including families and family trusts of the foregoing). In certain instances, references to our Manager and services to be provided to us by our Manager may also include services provided by Ellington and its other affiliates from time to time.

Special Note Regarding Forward-Looking Statements

When used in this Quarterly Report on Form 10-Q, in future filings with the Securities and Exchange Commission (the "SEC") or in press releases or other written or oral communications, statements which are not historical in nature, including those containing words such as "believe," "expect," "anticipate," "estimate," "project," "plan," "continue," "intend," "should," "would," "could," "goal," "objective," "will," "may," "seek," or similar expressions or their negative forms or references to strategy, plans or intentions, are intended to identify "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and, as such, may involve known and unknown risks, uncertainties, and assumptions.

Forward-looking statements are based on our beliefs, assumptions, and expectations of our future operations, business strategies, performance, financial condition, liquidity and prospects, taking into account information currently available to us. These beliefs, assumptions, and expectations are subject to risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity, results of operations and strategies may vary materially from those expressed or implied in our forward-looking statements. The following factors are examples of those that could cause actual results to vary from our forward-looking statements: changes in interest rates and the market value of our securities or our investments; market volatility; changes in the prepayment rates on the mortgage loans owned by us, or underlying the securities owned by us; increased rates of default and/or decreased recovery rates on our assets; our ability to borrow to finance our assets and the available terms for such borrowings; changes in government regulations affecting our business; our ability to maintain our exclusion from registration under the Investment Company Act of 1940, as amended (the "Investment Company Act"); our ability to maintain our qualification as a real estate investment trust ("REIT"); and risks associated with investing in real estate assets, including changes in business conditions and the general economy such as changes to fiscal or monetary policy, heightened inflation, slower growth or recession, and currency fluctuations. These and other risks, uncertainties and factors, including the risk factors described under Item 1A of our Annual Report on Form 10-K, could cause our actual results to differ materially from those projected or implied in any forward-looking statements we make. All forward-looking statements speak only as of the date on which they are made. New risks and uncertainties arise over time, and it is not possible to predict those events or how they may affect us. Except as required by law, we are not obligated to, and do not intend to, update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Executive Summary

Our primary objective is to generate attractive risk-adjusted total returns for our stockholders. We seek to attain this objective by utilizing an opportunistic strategy to make investments, without restriction as to ratings, structure, or position in the capital structure, that we believe compensate us appropriately for the risks associated with them rather than targeting a specific yield. At any particular point in time, depending on how we perceive the market's pricing of risk both generally and across sectors, we may favor higher-risk assets or we may favor lower-risk assets, or a combination of the two, in the interests of portfolio diversification or other considerations.

We conduct all of our operations and business activities through the Operating Partnership. As of September 30, 2026, we had an ownership interest of approximately 98.9% in the Operating Partnership. The remaining ownership interest of approximately 1.1% in the Operating Partnership represents the interests in the Operating Partnership that are owned by an affiliate of our Manager, our current and certain former directors, and certain current and former Ellington employees and their related parties, and is reflected in our financial statements as a non-controlling interest. We are externally managed and advised by our Manager, an affiliate of Ellington. Ellington is a registered investment adviser with a more than 30-year history of investing in the Agency and credit markets.

We have elected to be taxed as a REIT under the Internal Revenue Code of 1986, as amended (the "Code"). Provided that we maintain our qualification as a REIT, we generally will not be subject to U.S. federal, state, and local income tax on our

REIT taxable income that is currently distributed to our stockholders. Any taxes paid by a domestic taxable REIT subsidiary ("TRS") will reduce the cash available for distribution to our stockholders. REITs are subject to a number of organizational and operational requirements, including a requirement that they currently distribute at least 90% of their annual REIT taxable income excluding net capital gains.

We have two reportable segments, the Investment Portfolio Segment and the Longbridge Segment. In our Investment Portfolio Segment, we invest in a diverse array of financial assets, including residential and commercial mortgage loans; residential mortgage-backed securities ("RMBS"), including retained tranches from securitizations to which we have contributed assets, and RMBS for which the principal and interest payments are guaranteed by a U.S. government agency or a U.S. government-sponsored entity ("Agency RMBS"); commercial mortgage-backed securities ("CMBS"); consumer loans and asset-backed securities ("ABS") including ABS backed by consumer loans; investments referencing mortgage servicing rights on traditional forward mortgage loans ("Forward MSR-related investments"); collateralized loan obligations ("CLOs"); non-mortgage- and mortgage-related derivatives; debt and equity investments in loan origination companies; and other strategic investments.

Our Longbridge Segment is focused on the origination and servicing of, and investment in, reverse mortgage loans, including associated financial assets, financing, hedging, and allocated expenses. Longbridge Financial, LLC ("Longbridge") originates home equity conversion mortgage loans ("HECM loans"), which are insured by the Federal Housing Administration ("FHA"), and non-FHA-insured reverse mortgage loans, which we refer to as "proprietary reverse mortgage loans." HECM loans are generally eligible for securitization into HECM-backed MBS ("HMBS"), which are guaranteed by the Government National Mortgage Association ("GNMA").

The strategies that we employ are intended to capitalize on opportunities in the current market environment. Subject to maintaining our qualification as a REIT and our exclusion from registration as an investment company under the Investment Company Act, we intend to adjust our strategies to changing market conditions by shifting our asset allocations across various asset classes as credit and liquidity trends evolve over time. We believe that this flexibility, combined with Ellington's experience, will help us generate more consistent returns on our capital throughout changing market cycles. Additionally, subject to maintaining our qualification as a REIT, we opportunistically hedge our credit risk, interest rate risk, yield spread risk, and foreign currency risk; however, at any point in time we may choose not to hedge all or a portion of these risks, and we will generally not hedge those risks that we believe are appropriate for us to take at such time, or that we believe would be impractical or prohibitively expensive to hedge. For more information on our targeted assets, see "—Our Targeted Asset Classes" below.

Our Targeted Asset Classes

Our targeted asset classes currently include investments in the U.S. and Europe (as applicable) in the categories listed below. Subject to maintaining our qualification as a REIT, we expect to continue to invest in these targeted asset classes. Also, we expect to continue to hold certain of our targeted assets through one or more TRSs. As a result, a portion of the income from such assets will be subject to U.S. federal and certain state corporate income taxes, as applicable.

Asset Class	Principal Assets
Agency RMBS	• Whole pool pass-through certificates; • Partial pool pass-through certificates;
CMBS and Commercial Mortgage Loans	• CMBS; • CLOs backed by commercial mortgage loans ("CRE CLOs"); and • Commercial mortgage loans and other commercial real estate debt.
CMO Derivative Securities	• Collateralized mortgage obligation ("CMO") derivative securities, including interest-only securities ("IOs"), principal-only securities ("POs"), and inverse-interest-only securities ("IIOs").
Consumer Loans and ABS	• Consumer loans; • ABS backed by consumer loans; • ABS backed by Small Business Administration ("SBA") loans, including IOs backed by SBA loans; and
Corporate CLOs	• Corporate CLO debt and equity tranches; and • Investments in CLO loan accumulation facilities.
Mortgage-Related Derivatives	• To-Be-Announced mortgage pass-through certificates ("TBAs"); • Credit default swaps ("CDS") on individual RMBS, on the CMBX and on other mortgage-related indices; and • Other mortgage-related derivatives.
Non-Agency RMBS	• RMBS backed by prime jumbo, Alt-A, non-QM, manufactured housing, and subprime mortgages; • RMBS backed by fixed rate mortgages, Adjustable rate mortgages ("ARMs"), Option-ARMs, and Hybrid ARMs; • RMBS backed by mortgages on single-family-rental properties; • RMBS backed by first-lien and second-lien mortgages; • RMBS backed by performing and non-performing mortgages; • Investment grade and non-investment grade securities; • Senior and subordinated securities; • Collateralized debt obligations ("CDOs"); • RMBS backed by European residential mortgages ("European RMBS"); • Retained tranches from securitizations in which we have participated; and • Credit risk transfer securities ("CRTs").

Asset Class	Principal Assets
(continued)	
Residential Mortgage Loans	• Residential mortgage loans that are not deemed "qualified mortgage" loans under the rules of the Consumer Financial Protection Bureau ("non-QM loans"); • Residential "transition loans," such as residential bridge loans and residential "fix-and-flip" loans; • Residential non-performing mortgage loans ("NPLs"); • Re-performing loans ("RPLs"), which generally are loans that were modified and/or formerly NPLs where the borrower has resumed making payments in some form or amount; • Scratch-and-dent loans ("S&D loans") are residential mortgage loans that were excluded from a securitization (or sale to a GSE) due to documentation deficiencies, underwriting or origination errors, or other defects; • Prime jumbo loans are residential mortgage loans that exceed the applicable conforming loan limits set by the Federal Housing Finance Agency ("FHFA"); • Residential mortgage loans that meet the criteria for inclusion in an Agency securitization ("Agency-eligible residential mortgage loans"); • Reverse mortgage loans; • Closed-end second lien mortgage loans; and • Home equity line of credit loans ("HELOCs").
Strategic Investments	• Strategic equity and/or debt investments in loan originators, loan servicers, and mortgage-related entities;
Other	• Mortgage servicing rights ("MSRs") and MSR-related investments; • Real estate, including commercial and residential real property; • Corporate debt and equity securities and corporate loans; • Non-mortgage-related derivatives; and • IO strips backed by small business administration loans.

Agency RMBS

Our Agency RMBS assets consist primarily of whole pool (and to a lesser extent, partial pool) pass-through certificates, the principal and interest of which are guaranteed by a federally chartered corporation, such as the Federal National Mortgage Association ("Fannie Mae"), the Federal Home Loan Mortgage Corporation ("Freddie Mac"), or the Government National Mortgage Association, within the U.S. Department of Housing and Urban Development ("Ginnie Mae") and which are backed by ARMs, Hybrid ARMs, or fixed-rate mortgages. In addition to investing in pass-through certificates which are backed by traditional mortgages, we have also invested in Agency RMBS backed by reverse mortgages. Reverse mortgages are mortgage loans for which neither principal nor interest is due until the borrower dies, the home is sold, or other trigger events occur. Mortgage pass-through certificates are securities representing undivided interests in pools of mortgage loans secured by real property where payments of both interest and principal, plus prepaid principal, on the securities are made monthly to holders of the security, in effect "passing through" monthly payments made by the individual borrowers on the mortgage loans that underlie the securities, net of fees paid to the issuer/guarantor and servicers of the securities. Whole pool pass-through certificates are mortgage pass-through certificates that represent the entire ownership of (as opposed to merely a partial undivided interest in) a pool of mortgage loans.

Our Agency RMBS assets are typically concentrated in specified pools. Specified pools are fixed-rate Agency pools consisting of mortgages with special characteristics, such as mortgages with low loan balances, mortgages backed by investor properties, mortgages originated through the government-sponsored "Making Homes Affordable" refinancing programs, and mortgages with various other characteristics. We maintain our portfolio of Agency RMBS in part to help maintain our qualification as a REIT and to help maintain our exclusion from registration as an investment company under the Investment Company Act.

We expect to continue to target specified pools that, taking into account their particular composition and based on our prepayment projections, should: (1) generate attractive yields relative to other Agency RMBS and U.S. Treasury securities, (2) have less prepayment sensitivity to government policy shocks, and/or (3) create opportunities for trading gains once the market recognizes their value, which for newer pools may come only after several months, when actual prepayment experience can be observed. We believe that our research team, proprietary prepayment models, and extensive databases remain essential tools in our implementation of this strategy.

CLOs

CLOs are a form of asset-backed security typically collateralized by syndicated corporate loans or commercial mortgage loans. Our CLO holdings may include both debt and equity interests. Some of our CLOs include retained tranches from CLO securitizations for which we participated in the accumulation of the underlying assets.

CMBS

We acquire CMBS, which are securities collateralized by mortgage loans on commercial properties. The majority of CMBS issued are fixed rate securities backed by fixed rate loans made to multiple borrowers on a variety of property types, though single-borrower CMBS and floating rate CMBS have also been issued.

The majority of CMBS utilize senior/subordinate structures, similar to those found in non-Agency RMBS. Subordination levels vary so as to provide for one or more AAA credit ratings on the most senior classes, with less senior securities rated investment grade and non-investment grade, including a first loss component which is typically unrated. This first loss component is commonly referred to as the "B-piece," which is the most subordinated (and therefore highest yielding and riskiest) tranche of a CMBS securitization. We acquire investment grade, non-investment grade, and non-rated CMBS. Our target assets also include single-asset single-borrower CMBS ("SASB CMBS"). SASB CMBS can be collateralized by single properties or by a portfolio of properties.

Commercial Mortgage Loans and Other Commercial Real Estate Debt

We directly originate and participate in the origination of commercial mortgage "bridge" loans, which are loans secured by liens on commercial properties, and which have shorter terms and higher interest rates than more traditional commercial mortgage loans. Bridge loans are often secured by properties in transition, where the borrower is in the process of either re-developing or stabilizing operations at the property.

We also acquire seasoned commercial mortgage bridge loans, as well as longer-term commercial mortgage loans. Some of the seasoned commercial mortgage loans that we acquire may be non-performing, underperforming, or otherwise distressed; these loans are typically acquired at a discount both to their unpaid principal balances and to the value of the underlying real estate.

Our commercial mortgage loans may be fixed or floating rate and will generally have maturities ranging from one to two years. We typically originate and acquire first-lien loans but may also originate and acquire subordinated loans. As of September 30, 2026, all of our commercial mortgage loans were first-lien loans. Commercial real estate debt typically limits the borrower's right to freely prepay for a period of time through provisions such as prepayment fees, lockout, yield maintenance, or defeasance provisions.

Within both our loan origination and acquisition strategies, we often focus on smaller balance loans and/or loan packages that are less-competitively-bid. These loans typically have balances that are less than $30 million, and are secured by real estate and, in some cases, a personal guarantee from the borrower.

Consumer Loans and ABS

We acquire U.S. consumer whole loans and ABS, including ABS backed by U.S. consumer loans. Our U.S. consumer loan portfolio consists of unsecured loans and secured auto loans. We purchase newly originated consumer loans under flow agreements with certain originators and may also purchase seasoned consumer loans in the secondary market, and we continue to evaluate new opportunities.

MSRs and MSR-Related Investments

An MSR represents the right to service one or more mortgage loans in exchange for a specified revenue stream, typically a portion of the interest payments due on such mortgage loans together with certain other ancillary revenue. While the owner of an MSR is ultimately responsible for servicing the underlying loans in accordance with applicable regulations, the actual loan servicing functions are often subcontracted out to third-party licensed subservicers. The mortgages underlying MSRs can either be traditional "forward" mortgage loans ("Forward MSRs") or reverse mortgage loans ("Reverse MSRs").

The revenue stream associated with an MSR is often bifurcated into two components: a "base servicing fee," representing the actual or approximate cost of performing the loan servicing functions; and the remaining revenue, or "excess servicing spread." We have in the past acquired, and may in the future acquire, excess servicing spread from mortgage loan servicers.

As a result of the Arlington Merger, we, through certain of our subsidiaries, are party to various agreements that enable us to participate in the economic returns of a portfolio of forward MSRs. The mortgage loans underlying such Forward MSR-related investments consist solely of residential mortgage loans guaranteed by Fannie Mae or Freddie Mac.

Non-Agency RMBS

We acquire non-Agency RMBS backed by prime jumbo, Alt-A, non-QM, manufactured housing, subprime residential, and single-family-rental mortgage loans. The loans backing our non-Agency RMBS can be performing or non-performing. Our non-Agency RMBS holdings can include investment-grade and non-investment grade classes, including non-rated classes.

Non-Agency RMBS are generally debt obligations issued by private originators of, or investors in, residential mortgage loans. Non-Agency RMBS generally are issued as CMOs and are backed by pools of whole mortgage loans or by mortgage pass-through certificates. Non-Agency RMBS generally are securitized in senior/subordinated structures, or in excess spread/over-collateralization structures. In senior/subordinated structures, the subordinated tranches generally absorb all losses on the underlying mortgage loans before any losses are borne by the senior tranches. In excess spread/over-collateralization structures, losses are first absorbed by any existing over-collateralization, then borne by subordinated tranches and excess spread, which represents the difference between the interest payments received on the mortgage loans backing the RMBS and the interest due on the RMBS debt tranches, and finally by senior tranches and any remaining excess spread. We also have acquired, and may acquire in the future, both Agency-issued and non-Agency-issued CRTs, which have credit risks similar to those of subordinated RMBS tranches, as well as RMBS backed by residential mortgage loans, including retained tranches from loan securitizations in which we have participated.

We also have acquired, and may acquire in the future, European RMBS, including retained tranches from European RMBS securitizations in which we have participated.

Residential Mortgage Loans

Our residential mortgage loans include newly originated non-QM loans, residential transition loans, as well as legacy residential NPLs and RPLs. A non-QM loan is not necessarily high-risk, or subprime, but is instead a loan that does not conform to the complex Qualified Mortgage ("QM") rules of the Consumer Financial Protection Bureau. For example, many non-QM loans are made to creditworthy borrowers who cannot provide traditional documentation for income, such as borrowers who are self-employed. There is also demand from certain creditworthy borrowers for loans above the QM 43% debt-to-income ratio limit that still meet all ability-to-repay standards. We hold equity investments in various non-QM originators, and to date we have purchased the majority of our non-QM loans from these originators, although we could potentially purchase a greater share of non-QM loans from other sources in the future.

The residential transition loans that we purchase are typically newly originated loans and include: (i) "fix and flip" loans, which are made to real estate investors for the purpose of acquiring residential homes, making value-add improvements to such homes, and reselling the newly rehabilitated homes for a potential profit, and (ii) loans made to real estate investors for a "business purpose," such as purchasing a rental investment property, financing or refinancing a fully rehabilitated home awaiting sale, or securing short-term financing pending qualification for longer-term lower-rate financing. Our residential transition loans are secured by non-owner occupied properties, and are typically structured as fixed-rate, interest-only loans with terms to maturity between 6 and 24 months. Our underwriting guidelines focus on both the "as is" and "as repaired" property values, borrower experience as a real estate investor, and asset verification.

We are active in the market for residential NPLs and RPLs. The market for large residential NPL and RPL pools has remained highly concentrated, with the great majority having traded to only a handful of large players who typically securitize the residential NPLs and RPLs that they purchase. As a result, we have continued to focus our acquisitions on less-competitively-bid, and more attractively-priced mixed legacy pools sourced from motivated sellers.

We acquire HELOCs and closed-end second lien loans, which are loans made to homeowners collateralized by the existing equity in their homes. Closed-end second lien loans allow the borrower to take a one-time lump sum and are subordinate to the rights of the first lien mortgage holder as well as other potential senior liens. A HELOC is a line of credit that allows the borrower to draw down on their available line of credit as needed, and is subordinate to the rights of the first lien mortgage holder and to the rights of any other lien-holder on the home.

In addition to originating reverse mortgage loans, Longbridge also originates HELOCs designed for homeowners aged 62 or older. These loans are typically interest only, first or second lien loans that do not require principal payments as long as the borrower remains in compliance with specific terms of the loan such as related to owner-occupancy, payment of property taxes, and keeping insurance coverage and interest payments current. They differ from traditional HELOCs in that the principal is deferred until the borrower dies, sells the home, or becomes delinquent on property taxes or homeowners insurance.

We also acquire residential mortgage loans that have been originated in compliance with U.S. government Agency or government-sponsored enterprise ("GSE") guidelines and are eligible for sale to or securitization by the GSEs ("Agency-eligible residential mortgage loans"). Such loans may be collateralized by owner-occupied or non-owner-occupied properties. In addition, we acquire prime jumbo loans and scratch-and-dent loans ("S&D loans"). Jumbo loans are residential mortgage loans

with original principal balances exceeding the applicable conforming loan limits established by the FHFA. These limits vary by geographic area and the number of units in the property. Because they exceed the applicable limits, jumbo loans are not eligible for purchase by Fannie Mae or Freddie Mac. S&D loans are residential loans that were excluded from a securitization (or sale to a GSE) due to documentation deficiencies, underwriting or originator errors, or other defects. These loans may have been rejected by a GSE for purchase or repurchased by the originator following a sale. The S&D designation does not necessarily indicate borrower delinquency.

Reverse Mortgage Loans, Reverse MSRs

Reverse mortgage loans are residential mortgage loans for which neither principal nor interest is due until the borrower dies, the home is sold, or other trigger events occur. Reverse mortgage loans can have either fixed interest rates or adjustable interest rates. In the case of most fixed-rate reverse mortgage loans, the borrower must draw the loan proceeds up front in one lump sum, while many adjustable-rate mortgage loans provide the borrower with a line of credit that can be drawn over time.

We consolidate Longbridge, which acquires reverse mortgage loans both through its origination activities and through secondary market purchases. Longbridge originates and purchases home equity conversion mortgage loans ("HECMs"), which are insured by FHA and eligible for inclusion in GNMA-guaranteed HECM-backed MBS ("HMBS"). Longbridge is an approved issuer of HMBS, and it pools and securitizes the majority of its HECM loans into HMBS, which it then sells in the secondary market while retaining the servicing rights on the underlying HECM loans. In addition, Longbridge opportunistically acquires, in the secondary market, HECM loans that have been mandatorily repurchased from HMBS pools ("HECM Buyout Loans") by other HECM servicers upon the outstanding principal balance of such loans reaching 98% of their respective maximum claim amount. Depending on their status, HECM Buyout Loans are either eligible to be assigned to HUD in connection with an FHA insurance claim ("assignable buyout loans" or "ABOs"), or ineligible to be assigned to HUD ("non-assignable buyout loans" or "NABOs").

Longbridge also originates and purchases proprietary reverse mortgage loans, which typically carry loan balances or credit lines that exceed FHA limits or have other characteristics that make them ineligible for FHA insurance.

The majority of Longbridge's MSRs relate to HECM loans that Longbridge pooled and securitized into HMBS and then sold into the secondary market with servicing rights retained. In accordance with U.S. GAAP, so long as Longbridge retains such mortgage servicing rights and the obligations relating thereto, such HECM loans do not meet the requirement for sale accounting and remain on Longbridge's balance sheet. The sold HMBS securities are accounted for as secured borrowings.

Longbridge typically retains the MSRs associated with the proprietary reverse mortgage loans that it originates and has opportunistically acquired MSRs on reverse mortgage loans in the secondary market. We have securitized certain proprietary reverse mortgage loans originated by Longbridge and retained certain related securitization tranches in compliance with applicable risk retention rules. In accordance with U.S. GAAP, we are deemed to be the primary beneficiary of each of the issuing entities of such proprietary reverse mortgage loan securitizations, which are VIEs, and as a result we consolidate such issuing entities. See Note 13 of Notes to Condensed Consolidated Financial Statements in Item 1 of this Quarterly Report on Form 10-Q.

Strategic Investments

We have made, and in the future may make additional, equity and/or debt investments in loan originators, loan servicers, and other mortgage-related operating companies. Our investments may either be controlling interests (as is the case with Longbridge), or non-controlling interests (as is the case with our other investments in these types of operating companies). We have also acquired debt investments and/or warrants in certain of these loan originators. We have also entered into various other arrangements, such as entering into flow agreements or providing guarantees or financing lines, with certain of the loan originators in which we have invested.

TBAs and Other Mortgage-Related Derivatives

In addition to investing in specified pools of Agency RMBS, we utilize TBA transactions, whereby we agree to purchase or sell, for future delivery, Agency RMBS with certain principal and interest terms and certain types of underlying collateral, but the particular Agency RMBS to be delivered is not identified until shortly before the TBA settlement date. TBAs are liquid, have quoted market prices, and represent the most actively traded class of mortgage-backed securities ("MBS"). TBA trading is based on the assumption that mortgage pools that are eligible to be delivered at TBA settlement are fungible and thus the specific mortgage pools to be delivered do not need to be explicitly identified at the time a trade is initiated.

We generally engage in TBA transactions for purposes of managing certain risks associated with our investment strategies. Other than with respect to TBA transactions entered into by our TRSs, most of our TBA transactions are treated for tax purposes as hedging transactions used to hedge indebtedness incurred to acquire or carry real estate assets ("qualifying

liability hedges"). The principal risks that we use TBAs to mitigate are interest rate and yield spread risks. For example, we may hedge the interest rate and/or yield spread risk inherent in our long Agency RMBS by taking short positions in TBAs that are similar in character. Alternatively, we may opportunistically engage in TBA transactions because we find them attractive in their own right, from a relative value perspective or otherwise. For accounting purposes, in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") we classify TBA transactions as derivatives.

We also take long and short positions in various other mortgage-related derivative instruments, including mortgage-related credit default swaps. A credit default swap is a credit derivative contract in which one party (the protection buyer) pays an ongoing periodic premium (and often an upfront payment as well) to another party (the protection seller) in return for compensation for default (or similar credit event) by a reference entity. In this case, the reference entity can be an individual MBS or an index of several MBS, such as a CMBX index. Payments from the protection seller to the protection buyer typically occur if a credit event takes place. A credit event can be triggered by, among other things, the reference entity's failure to pay its principal obligations or a severe ratings downgrade of the reference entity.

Other Investment Assets

Our other investment assets include real estate, including residential and commercial real property, corporate debt and equity securities, corporate loans, loans collateralized by accounts receivable, litigation finance assets, and non-mortgage-related derivatives. We do not typically purchase real property directly; rather, our real estate ownership usually results from foreclosure activity with respect to our residential and commercial mortgage loans.

Hedging Instruments

Interest Rate Hedging

We opportunistically hedge our interest rate risk by using various hedging strategies, subject to maintaining our qualification as a REIT. The interest rate hedging instruments that we use and may use in the future include, without limitation:

- TBAs;
- interest rate swaps (including floating-to-fixed, fixed-to-floating, floating-to-floating, or more complex swaps such as floating-to-inverse floating, callable or non-callable);
- CMOs;
- U.S. Treasury securities;
- swaptions, caps, floors, and other derivatives on interest rates;
- futures and forward contracts; and
- options on any of the foregoing.

Because fluctuations in short-term interest rates may expose us to fluctuations in the spread between the interest we earn on certain of our investments and the interest we pay on certain of our borrowings, we may seek to manage such exposure by entering into short positions in interest rate swaps. An interest rate swap is an agreement to exchange interest rate cash flows, calculated on a notional principal amount, at specified payment dates during the life of the agreement. Typically, one party pays a fixed interest rate and receives a floating interest rate and the other party pays a floating interest rate and receives a fixed interest rate. Each party's payment obligation is computed using a different interest rate. In an interest rate swap, the notional principal is generally not exchanged. We generally enter into these transactions to offset the potential adverse effects of rising interest rates on short-term repurchase agreements. Our repurchase agreements generally have maturities of up to 364 days and carry interest rates that are determined by reference to a benchmark rate such as the Secured Overnight Financing Rate ("SOFR"). As each then-existing fixed-rate repurchase agreement ("repo") borrowing matures, it will generally be replaced with a new fixed-rate repo borrowing based on market interest rates established at that future date.

In the case of interest rate swaps, most of our agreements are structured such that we receive payments based on a variable interest rate and make payments based on a fixed interest rate. The variable interest rate on which payments are received is generally calculated based on various reset mechanisms for a benchmark rate such as SOFR. To the extent that the benchmark rates used to calculate the payments we receive on our interest rate swaps continue to be highly correlated with our repo borrowing costs, our interest rate swap contracts should help to reduce the variability of our overall repo borrowing costs, thus reducing risk to the extent we hold fixed-rate assets that are financed with repo borrowings.

Credit Risk Hedging

We enter into credit-hedging positions in order to protect against adverse credit events with respect to our credit investments, subject to maintaining our qualification as a REIT. Our credit hedging portfolio can vary significantly from period to period, and can encompass a wide variety of financial instruments, including corporate debt or equity-related instruments,

RMBS- or CMBS-related instruments, or instruments involving other markets. Our hedging instruments can include both "single-name" instruments (i.e., instruments referencing one underlying entity or security) and hedging instruments referencing indices.

Our credit hedges consist of financial instruments tied to corporate credit, such as CDS on corporate bond indices, short positions in and CDS on corporate bonds, and positions involving exchange traded funds ("ETFs") of corporate bonds. They also include put contracts on certain equity indices, as well as CDS tied to individual MBS or an index of several MBS, such as CDS on CMBS indices ("CMBX").

Foreign Currency Hedging

To the extent that we hold instruments denominated in currencies other than U.S. dollars, we may enter into transactions to offset the potential adverse effects of changes in currency exchange rates, subject to maintaining our qualification as a REIT. In particular, we may use currency forward contracts and other currency-related derivatives to mitigate this risk.

Trends and Recent Market Developments

Market Overview

Federal Reserve Policy

- After maintaining its target range for the federal funds rate at its July meeting, the U.S. Federal Reserve (the "Federal Reserve") increased the target range by 25 basis points to 3.75%–4.00% at its September meeting, its first interest rate hike since 2023. At the September meeting, the Committee noted, “Inflation remains elevated. Today's policy action will support a timelier return to the Committee's 2 percent goal.”
- The Summary of Economic Projections released following the September meeting reflected a more hawkish outlook than in June, with policymakers modestly raising their inflation and economic growth forecasts and revising upward the projected path of the federal funds rate. The median projection implied one additional 25-basis-point increase by year end.

Tariff Policy

- Following the Supreme Court's February decision invalidating certain tariffs imposed under the International Emergency Economic Powers Act, the U.S. administration introduced a temporary 10% global tariff. That tariff expired in July upon reaching its 150-day statutory limit and was replaced by new Section 301 tariffs of 10% or 12.5% on imports from 60 trading partners, including the European Union, subject to certain product exemptions. Many existing sector- and country-specific tariffs remained in place, and considerable uncertainty continued to cloud the outlook for U.S. trade policy.

Interest Rates

- Interest rates rose significantly during the third quarter of 2026 amid persistent inflation, renewed tensions in the Middle East, and expectations for additional Federal Reserve tightening. Overall for the quarter, the 2-year U.S. Treasury yield rose 71 basis points to 4.89%, while the 10-year U.S. Treasury yield rose 82 basis points to 5.28%.
- In August, the U.S. Treasury announced that it would increase the maximum size of its liquidity support buyback operations for longer-dated nominal securities from $2 billion to at least $4 billion per operation, beginning in September. These purchases were intended to improve trading liquidity in this segment of the U.S. Treasury market.
- After declining during the previous quarter, interest rate volatility increased sharply in September.
- Mortgage rates generally tracked the increase in long-term interest rates in the third quarter. The Freddie Mac survey 30-year mortgage rate increased from 6.49% as of June 25th to 7.03% as of September 24th.
- Secured Overnight Financing Rates ("SOFR") also rose during the third quarter. The one-month SOFR rate rose by 26 basis points to 3.91%, while the three-month SOFR rate increased by 35 basis points to 4.08%. SOFR rates drive many of our financing costs.

Housing and Economic Indicators

- The S&P Cotality Case-Shiller U.S. National Home Price NSA Index rose by 3.0% year-to-date through August 2026. Meanwhile, the National Association of Realtors Housing Affordability Index declined by 5.4% year-to-date through the end of September, as higher mortgage rates and elevated home prices strained housing affordability.
- With mortgage rates rising during the third quarter, the Mortgage Bankers Association's Refinance Index continued to decline, falling 32.7% quarter over quarter.
- Mortgage prepayment speeds slowed further, with the Fannie Mae 30-year MBS registering CPRs of 8.2%, 7.2%, and 6.7% in July, August, and September, respectively.
- U.S. real GDP expanded at an estimated annualized rate of 3.4% in the third quarter of 2026, after expanding at an annualized rate of 2.2% in the prior quarter. Meanwhile, the unemployment rate was 4.2% in both June and September.
- Inflation, as measured by the 12-month change in the Consumer Price Index for All Urban Consumers ("CPI-U"), not seasonally adjusted, remained elevated during the quarter. The CPI-U registered 3.4% in both July and August before rising to 3.7% in September, compared with 3.8% in April, 4.2% in May, and 3.5% in June. Renewed military strikes in the Middle East, disruptions to shipping through the Strait of Hormuz, and attacks on energy infrastructure contributed to sharply higher oil prices. Brent crude futures rose from approximately $72 per barrel at the start of July to above $100 in September, adding to inflation concerns.

Fixed Income Performance

- For the third quarter, the Bloomberg U.S. MBS Index posted a negative return of (4.29%) and a negative excess return (on a duration-adjusted basis) of (1.18%) relative to the Bloomberg U.S. Treasury Index.
- The Bloomberg U.S. Corporate Bond Index generated a negative return of (3.97%) and a negative excess return of (0.17%) for the quarter. The Bloomberg U.S. Corporate High Yield Bond Index generated a negative return of (1.86%) and a negative excess return of (0.71%). Corporate credit spreads widened over the quarter, with spreads on the Markit CDX North America Investment Grade and High Yield Indices widening by 2 and 23 basis points, respectively.

Equity Markets

- After a strong second quarter, U.S. equity market performance was mixed in the third quarter. Strong corporate earnings and continued AI enthusiasm supported the technology sector, but sharply higher interest rates, persistent inflation, and geopolitical concerns weighed on the market more broadly. Overall, the NASDAQ rose by 2.5% and the S&P 500 rose by 2.0%, while the Dow Jones Industrial Average fell by 2.7%. Meanwhile, London's FTSE 100 index rose by 1.0%, while the MSCI World global equity index increased by 1.6%.
- Equity volatility remained relatively low throughout the third quarter.

Portfolio Overview and Outlook—Investment Portfolio Segment

The following table[1] summarizes the long investments in our investment portfolio segment as of September 30, 2026 and June 30, 2026.

($ in thousands)	September 30, 2026 Fair Value	September 30, 2026 % of Total	June 30, 2026 Fair Value	June 30, 2026 % of Total
Dollar Denominated:				
Agency-eligible residential mortgage loans and retained RMBS[5][7]	$ 240,584	4.0 %	$ 183,466	3.1 %
Agency Pass-throughs	167,312	2.8 %	189,747	3.2 %
CLOs	102,302	1.7 %	89,251	1.5 %
CMBS	16,837	0.3 %	22,713	0.4 %
Commercial mortgage loans[2][4]	912,459	15.1 %	836,662	14.1 %
Consumer loans and ABS backed by consumer loans[5]	154,268	2.5 %	149,924	2.5 %
Corporate debt and equity and corporate loans	43,056	0.7 %	42,158	0.7 %
Debt and equity investments in loan origination entities[6]	108,060	1.8 %	97,313	1.6 %
Forward MSR-related investments	74,379	1.2 %	75,901	1.3 %
HELOC and CES loans and retained RMBS[5][7]	352,363	5.8 %	301,369	5.1 %
Non-QM loans and retained RMBS[2][5][7]	2,343,828	38.8 %	2,686,668	45.3 %
Other RMBS and interest-only strips	134,984	2.2 %	118,041	2.0 %
Prime jumbo residential mortgage loans	77,232	1.3 %	—	— %
Residential transition loans[2]	1,148,977	19.0 %	956,820	16.1 %
Other residential mortgage loans[2][3]	43,049	0.7 %	39,593	0.7 %
Other investments[8][9]	66,870	1.1 %	74,118	1.3 %
Non-Dollar Denominated:				
CLOs	5,541	0.1 %	11,803	0.2 %
RMBS[10]	29,662	0.5 %	27,631	0.5 %
Other residential mortgage loans	23,581	0.4 %	24,737	0.4 %
Total long investment portfolio	$ 6,045,344	100.0 %	$ 5,927,915	100.0 %
Adjustments:				
Less: Non-retained tranches of consolidated securitization trusts	1,349,340		1,432,634	
Total adjusted long investment portfolio	$ 4,696,004		$ 4,495,281	

(1) This information does not include U.S. Treasury securities, securities sold short, or financial derivatives.
(2) Includes related REO. In accordance with U.S. GAAP, REO is not considered a financial instrument and, as a result, is included at the lower of cost or fair value, as discussed in Note 2 of the notes to consolidated financial statements.
(3) Other residential mortgage loans include secondary market purchases of non-performing and re-performing mortgage loans and S&D loans.
(4) Includes equity investments in unconsolidated entities holding commercial mortgage loans and REO and corporate loans secured by commercial mortgage loans. Such amounts represent the fair value of the underlying commercial mortgage loans net of the financing liabilities of the unconsolidated entity. The aggregate gross fair value of commercial mortgage loans held by us and our respective portion of the loans held by such unconsolidated entities was $1.12 billion and $1.03 billion as of September 30, 2026 and June 30, 2026, respectively.
(5) Includes equity investments in securitization-related vehicles.
(6) Includes corporate loans to certain loan origination entities in which we hold an equity investment.
(7) Retained RMBS represents RMBS issued by non-consolidated Ellington-sponsored loan securitization trusts, and interests in entities holding such RMBS.
(8) Includes equity investment in Ellington affiliate.
(9) Includes equity investment in an unconsolidated entity which purchases certain other loans for eventual securitization.
(10) Includes loans to entities which purchase residential mortgage loans for eventual securitization.

Our total adjusted long investment portfolio increased by 4.5% sequentially, to $4.70 billion as of September 30, 2026. The increase was driven by net purchases of residential transition loans, closed-end second lien loans, Agency-eligible residential mortgage loans, prime jumbo residential mortgage loans, and commercial mortgage bridge loans, and a larger portfolio of retained RMBS. These increases were partially offset by the impact of continued securitization activity and a smaller Agency RMBS portfolio.

During the quarter, net interest income remained robust, while net gains on hedges more than offset net realized and unrealized losses. We benefited from strong performance across several strategies, led by retained tranches from securitizations of non-QM and Agency-eligible loans, commercial mortgage bridge loans, and equity investments in loan originators, particularly LendSure. Additional positive contributions came from retained tranches of closed-end second lien loan

securitizations, non-Agency RMBS, CLOs, and corporate debt and equity. Earnings from unconsolidated entities further supported results. These results were partially offset by negative results in warehoused non-QM whole loans, residential transition loan retained tranches, CMBS, and residential and commercial REO.

Credit performance in our loan businesses remained strong, with sequentially lower 90-day delinquency rates and continued low life-to-date realized loan losses.

During the quarter, the net interest margin on our investment portfolio increased to 3.55% from 3.36%, as higher asset yields were only partially offset by higher funding costs (including the effect of actual and accrued periodic payments on interest rate swaps). We continued to hedge interest rate risk using interest rate swaps and short positions in TBAs, U.S. Treasury securities and futures. We also benefited from modestly higher positive carry on our interest rate swaps, with our weighted average receive rate continuing to exceed our weighted average pay rate.

During the quarter, we acquired a controlling interest in Statebridge Company, LLC ("Statebridge"), a diversified loan servicer. As of September 30, 2026, Statebridge serviced approximately 14,700 loans with an aggregate unpaid principal balance ("UPB") of $1.9 billion, nearly all for third-party clients, comprising approximately 3,500 non-QM and RTL loans with $1.1 billion of UPB, approximately 4,900 qualifying-mortgage loans with $0.6 billion of UPB, and approximately 6,300 consumer installment and commercial mortgage loans with $0.2 billion of UPB.

Supplemental Investment Portfolio Information:

The following tables provide supplemental information to, and should be read in conjunction with, the notes to our financial statements. See Note 4—*Investments in Securities,* Note 5—*Investments in Loans*, Note 7—*Forward MSR-related Investments*, and Note 8—*Investments in Unconsolidated Entities,* of the Notes to Consolidated Financial Statements.

The table below details certain information regarding our investments in commercial mortgage loans as of September 30, 2026:

				Gross Unrealized			Weighted Average		
($ in thousands)	Unpaid Principal Balance	Premium (Discount)	Amortized Cost	Gains	Losses	Fair Value	Coupon	Yield[1]	Life (Years)[2]
Commercial mortgage loans[3][4]	$ 1,125,131	$ (7,523)	$ 1,117,608	$ 857	$ (914)	$ 1,117,551	8.92 %	9.01 %	1.15

(1) Excludes commercial mortgage loans in non-accrual status, with a fair value of $87.7 million.
(2) Expected average lives of loans are generally shorter than stated contractual maturities. Average lives are affected by scheduled periodic payments of principal and unscheduled prepayments of principal.
(3) Includes our allocable portion of commercial mortgage loans, based on our ownership percentage, held in variable interest entities. Our equity investments in such variable interest entities are included in Investments in unconsolidated entities, at fair value on the Consolidated Balance Sheet.
(4) As of September 30, 2026, all of our commercial mortgage loans were first-lien mortgages.

The table[1][2] below summarizes our interests in commercial mortgage loans by payment status of the loan as of September 30, 2026:

	September 30, 2026		
(In thousands)	Unpaid Principal Balance	Fair Value	% of Fair Value
Performing	$ 1,032,338	$ 1,029,852	92 %
Non-performing	92,793	87,699	8 %
Total	$ 1,125,131	$ 1,117,551	100 %

(1) Includes our allocable portion of commercial mortgage loans, based on our ownership percentage, held in variable interest entities. Our equity investments in such variable interest entities are included in Investments in unconsolidated entities, at fair value on the Consolidated Balance Sheet.
(2) As discussed in Note 2 and Note 5 of the Notes to Consolidated Financial Statements, commercial loans that are 90 days or more delinquent are considered non-performing.

As of September 30, 2026, we held four commercial REO properties with a fair value of $25.2 million. Additionally, as of September 30, 2026, unconsolidated variable interest entities in which we co-invest with other Ellington affiliates held two commercial REO properties; the fair value of our allocable portion of such REOs was approximately $51.3 million.

The table below summarizes our interests in commercial mortgage loans by property type of the underlying real estate collateral, as a percentage of total outstanding unpaid principal balance, as of September 30, 2026:

Property Type[1]	September 30, 2026
Multifamily	56.6 %
Hotel	11.4 %
Retail	8.5 %
Office	7.5 %
Commercial Mixed Use	6.4 %
Healthcare	4.3 %
Industrial	3.5 %
Mobile Home Community	1.3 %
Self Storage	0.5 %
	100.0 %

(1) Includes our allocable portion of commercial mortgage loans, based on our ownership percentage, held in variable interest entities. Our equity investments in such variable interest entities are included in Investments in unconsolidated entities, at fair value on the Consolidated Balance Sheet.

The table below summarizes our interests in commercial mortgage loans by geographic location of the underlying real estate collateral, as a percentage of total outstanding unpaid principal balance, as of September 30, 2026:

Property Location by U.S. State[1]	September 30, 2026
Florida	26.4 %
New York	25.6 %
Texas	8.4 %
New Jersey	7.0 %
All other states <5%	32.6 %
	100.0 %

(1) Includes our allocable portion of commercial mortgage loans, based on our ownership percentage, held in variable interest entities. Our equity investments in such variable interest entities are included in Investments in unconsolidated entities, at fair value on the Consolidated Balance Sheet.

The table below summarizes our interests in residential mortgage loans by loan type, and REO resulting from the foreclosure of residential mortgage loans, as of September 30, 2026:

Loan Type	Unpaid Principal Balance	Fair Value
	(In thousands)	
North America—United States:		
Non-QM loans	$ 2,182,751	$ 2,009,966
Residential transition loans	1,110,116	1,101,686
Agency-eligible mortgage loans	209,444	204,268
HELOCs and closed-end second lien loans	119,279	123,779
Prime jumbo residential mortgage loans	79,762	77,232
Other residential mortgage loans[1]	41,153	39,343
Europe—United Kingdom:		
Other residential mortgage loans	35,145	23,581
Total residential mortgage loans	$ 3,777,650	$ 3,579,855
Residential REO[2]		61,056
Total residential mortgage loans and residential REO[2]		$ 3,640,911

(1) Other residential mortgage loans include secondary market purchases of non-performing and re-performing mortgage loans and S&D loans.
(2) REO is not considered a financial instrument and, as a result, is included at the lower of cost or fair value, as discussed in Note 2 of the notes to consolidated financial statements.

The table[(1)] below provides additional details for residential mortgage loans that are 90 days or more past due as of September 30, 2026:

Loan Type	Unpaid Principal Balance	Fair Value
	(In thousands)	
Non-performing residential mortgage loans—non-performing at acquisition	$ 10,503	$ 11,174
Non-performing residential mortgage loans—performing at acquisition	205,053	185,723
Total non-performing residential mortgage loans	$ 215,556	$ 196,897
Total residential mortgage loans	$ 3,742,505	$ 3,556,274
Total residential mortgage loans, excluding loans non-performing at acquisition	$ 3,719,575	$ 3,533,434
Total delinquency (%)	5.8 %	5.5 %
Delinquency excluding loans non-performing at acquisition (%)	5.5 %	5.3 %

(1) Excludes the assets of the European Mortgage Loan Securitization (see Note 13, Securitization Transactions—*Residential Mortgage Loan Securitizations—European Residential Mortgage Loans*), which is a consolidated VIE holding non-performing residential mortgage loans with an unpaid principal balance and fair value of $19.6 million and $13.2 million, respectively. The net fair value of the interest held by us in this VIE was $63 thousand.

The table below details (in thousands) the underlying reference amounts and components of our Forward MSR-related investments as of September 30, 2026:

Fair Value of Underlying MSR	Financing	Advances Receivable	Cash and Other Net Assets	Fair Value of Forward MSR-related Investments
$ 156,082	$ (93,500)	$ 3,604	$ 8,193	$ 74,379

The table below provides additional details on the MSRs underlying our Forward MSR-related investments as of September 30, 2026:

Holder of Mortgage Loan	Unpaid Principal Balance	Fair Value	Weighted Average Rate	Weighted Average Servicing Fee	Weighted Average Loan Age (Months)	Weighted Average Projected CPR	Weighted Average Market Yield	Weighted Average Multiple
	(In thousands)							
Federal National Mortgage Association	$ 9,232,143	$ 144,085	3.09 %	0.25 %	70	4.96 %	9.64 %	6.23
Federal Home Loan Mortgage Corporation	751,676	11,997	3.71 %	0.25 %	65	4.92 %	9.96 %	6.38
Total	$ 9,983,819	$ 156,082	3.14 %	0.25 %	69	4.96 %	9.67 %	6.24

As discussed in Note 16 of the notes to our consolidated financial statements, we, through a wholly-owned trust subsidiary, purchase automobile loans under agreements with a consumer loan originator. We have beneficial interests in the loan cash flows, which are net of servicing-related fees and expenses including a deferred performance-based fee to the consumer loan originator, in which we have a non-controlling equity interest. The total fair value of these investments, which are included in Securities, at fair value on the Consolidated Balance Sheet, was $50.9 million as of September 30, 2026. The table below provides additional information about the automobile loans underlying these participation certificates, which comprise our investments in ABS backed by consumer loans, as of September 30, 2026:

($ in thousands)	Unpaid Principal Balance	Premium (Discount)	Amortized Cost	Fair Value	Weighted Average Life (Years)	Weighted Average Delinquency (Days)
Automobile loans underlying ABS backed by consumer loans[(1)]	$ 57,089	$ 545	$ 57,634	$ 50,897	1.64	10

(1) Excludes consumer loans with an aggregate unpaid principal balance and fair value of $105.4 million and $0.4 million, respectively, for which we have determined that it is probable the servicer will not be able to collect any more principal or interest.

The following table provides additional details about our investments in unconsolidated entities as of September 30, 2026:

Investment in Unconsolidated Entity	Description	Fair Value
Loan Originators:	**Entity Type**	*(In thousands)*
LendSure Mortgage Corp.	Residential Mortgage Loan Originator	$ 63,840
Other	Residential Mortgage Loan, Commercial Mortgage Loan, and Consumer Loan Originators	24,113
		87,953
Other Unconsolidated Entities:	**Underlying Product Type**	
Co-investments with Ellington affiliate(s)	Commercial Mortgage Loans and REO	133,167
Equity investments in securitization-related risk retention vehicles	Consumer Loans	128
Equity investments in securitization-related risk retention vehicles	Residential Mortgage Loan	106,318
Other	Various	57,004
		296,617
		$ 384,570

The following table provides details about the composition of our Agency fixed-rate specified pools (excluding those backed by reverse mortgages) as of September 30, 2026:

	September 30, 2026			
	Current Principal	Fair Value	Weighted Average Loan Age (Months)	Weighted Average Coupon
	(In thousands)			
Fixed-rate Agency Pass-Throughs:				
15-year fixed-rate mortgages	$ 4,071	$ 3,802	108	3.50 %
30-year fixed-rate mortgages	186,645	162,959	70	3.87 %
Total fixed-rate Agency Pass-Throughs	$ 190,716	$ 166,761	71	3.86 %

Portfolio Overview and Outlook—Longbridge Segment

As discussed in Note 13 of the Notes to the Consolidated Financial Statements, when Longbridge pools HECM loans into HMBS, the transfers do not qualify as sales under U.S. GAAP and, as a result, such transactions are treated as secured borrowings on our Consolidated Balance Sheet. The pooled HECM loans are included in Loans, at fair value, and the related liabilities are reflected as HMBS-related obligations, at fair value. After pooling the HECM loans into HMBS, Longbridge retains the associated mortgage servicing rights, which we refer to as the "HMBS MSR."

Additionally, Longbridge typically retains the MSRs associated with the proprietary reverse mortgage loans that it originates and has acquired MSRs on reverse mortgage loans in the secondary market (collectively, "Reverse MSRs"). We have securitized certain proprietary reverse mortgage loans originated by Longbridge and have retained certain related securitization tranches in compliance with credit risk retention rules.

The following table summarizes loan-related assets[1] in the Longbridge segment as of September 30, 2026 and June 30, 2026:

(In thousands)	September 30, 2026	June 30, 2026
HMBS assets[2][3]	$ 11,403,917	$ 11,184,939
Less: HMBS liabilities	(11,294,032)	(11,057,752)
HMBS MSR	109,885	127,187
Unsecuritized HECM loans[3][4]	165,566	178,139
Proprietary reverse mortgage loans[5]	2,626,342	2,299,122
Reverse MSRs	30,289	30,040
Total	2,932,082	2,634,488
Less: Non-retained tranches of consolidated securitization trusts	1,902,575	1,985,145
Total, excluding non-retained tranches of consolidated securitization trusts	$ 1,029,507	$ 649,343

(1) This information does not include financial derivatives or loan commitments.

(2) Includes HECM loans, REO, and claims or other receivables.
(3) Includes REO which is not considered a financial instrument and, as a result, is included at the lower of cost or fair value, as discussed in Note 2 of the notes to consolidated financial statements.
(4) As of September 30, 2026, includes $25.2 million of active HECM buyout loans, $28.0 million of inactive HECM buyout loans, $8.1 million of other inactive HECM loans, and $5.1 million of REO. As of June 30, 2026, includes $26.9 million of active HECM buyout loans, $21.3 million of inactive HECM buyout loans, $7.5 million of other inactive HECM loans, and $5.0 million of REO.
(5) As of September 30, 2026, includes $1.9 billion of securitized proprietary reverse mortgage loans and related REO, $30.8 million of cash held in a securitization reserve fund, and $21.0 million of investment related receivables. As of June 30, 2026, includes $2.0 billion of securitized proprietary reverse mortgage loans and related REO, $30.5 million of cash held in a securitization reserve fund, and $30.8 million of investment related receivables.

Our Longbridge segment reported positive results for the third quarter, with contributions from both originations and servicing. Originations benefited from sequentially higher origination volumes and net gains from a proprietary reverse mortgage loan securitization priced during the quarter, partially offset by origination margin compression amid higher interest rates. Meanwhile, servicing benefited from strong tail securitization executions, steady base servicing net income, and gains on MSR-related hedges, partially offset by a mark-to-market loss on the HMBS MSR. The Longbridge segment also generated significant net gains on "enterprise" interest-rate hedges intended to mitigate the potential impact of higher interest rates on origination profits. Results also reflected a net unrealized loss on the retained tranches of consolidated proprietary reverse mortgage loan securitization trusts, driven by revised home price projections.

Longbridge originated $676.3 million of loans during the quarter, up 36% year over year, contributing to a 59% sequential increase in the net Longbridge portfolio to $1.0 billion as of September 30, 2026. Much of this increase was reversed upon the October settlement of a proprietary reverse mortgage loan securitization that priced in September.

Supplemental Longbridge Information:

The following table summarizes origination volumes by product and channel for the three-month period ended September 30, 2026:

($ In thousands)	Three-Month Period Ended September 30, 2026		
Channel	**Units**	**New Loan Origination Volume[1]**	**% of New Loan Origination Volume**
HECM loans			
Wholesale and correspondent	1,408	$ 194,509	29 %
Retail	592	63,994	9 %
Total HECM loans	2,000	258,503	38 %
Proprietary reverse mortgage loans[2]			
Wholesale and correspondent	592	294,318	44 %
Retail	366	123,517	18 %
Total proprietary reverse mortgage loans	958	$ 417,835	62 %
Total	2,958	$ 676,338	100 %

(1) Represents initial borrowed amounts on reverse mortgage loans.
(2) Includes HELOCs.

In accordance with U.S. GAAP, HECM loans remain on our balance sheet after securitization. The carrying value of the HMBS assets, net of the HMBS liabilities, approximates the value of the HMBS MSR. The following table presents a rollforward of the HMBS MSR for the three-month period ended September 30, 2026:

(In thousands)	Three-Month Period Ended September 30, 2026
Beginning balance	$ 127,187
Originations	10,396
Change in fair value due to:	
Runoff	(9,707)
Change in valuation inputs and assumptions	(17,991)
Ending balance	$ 109,885

The following table presents the net profit (loss) related to the HMBS MSR, as discussed above, for the three-month period ended September 30, 2026:

(In thousands)	Three-Month Period Ended September 30, 2026
Net servicing revenue	$ 16,138
Change in fair value due to:	
Runoff	(9,707)
Change in valuation inputs and assumptions	(17,991)
Gains (losses) on associated hedges	15,807
Net profit (loss)	$ 4,247

The following table presents a rollforward of our purchased MSRs and MSRs retained on proprietary reverse mortgage loans, which are reported on our Condensed Consolidated Balance Sheet as Mortgage servicing rights, at fair value, for the three-month period ended September 30, 2026:

(In thousands)	Three-Month Period Ended September 30, 2026
Beginning balance	$ 30,040
Change in fair value due to:	
Runoff	(75)
Change in valuation inputs and assumptions	324
Ending balance	$ 30,289

The following table presents the net profit (loss) on our MSRs, as discussed above, for the three-month period ended September 30, 2026:

(In thousands)	Three-Month Period Ended September 30, 2026
Net servicing revenue	$ 1,803
Change in fair value due to:	
Runoff	(75)
Change in valuation inputs and assumptions	324
Gains (losses) on associated hedges	774
Net profit (loss)	$ 2,826

Corporate/Other

The net loss in Corporate/Other narrowed quarter over quarter, primarily driven by a smaller combined net loss on our unsecured debt and interest rate hedges. Higher interest rates during the third quarter resulted in losses on the fixed receiver interest rate swaps used to hedge the fixed payments on our unsecured notes and preferred equity. These losses exceeded the net gains on our unsecured notes.

Our unsecured notes generated mark-to-market gains as a result of higher interest rates, although this was partially offset by credit spread tightening on our existing notes, reflecting the tighter pricing achieved on our add-on offering of 7.375% senior notes in September. Related debt issuance costs were fully expensed at issuance. We also recorded a realized loss on the par redemption of our 6% senior notes, which were carried at a discount to par. Finally, results reflected higher income tax expense.

Financing—Overall

We had various financing arrangements in place as of September 30, 2026, including both secured and unsecured borrowings. We use repos, secured lines of credit, and various other secured borrowings to finance our portfolios and account for these arrangements as collateralized borrowings. We have also obtained term financing through the securitization markets

for residential mortgage loans, proprietary reverse mortgage loans, and consumer loans. Additionally, as an issuer of HMBS, we account for HMBS-related obligations as secured borrowings.

Finally, as of September 30, 2026, we had $775.0 million in aggregate principal amount of outstanding Unsecured borrowings, consisting of (i) $550.0 million of senior notes maturing in September 2030 and bearing an interest rate of 7.375%; (ii) $210.0 million of senior notes maturing in April 2027 and bearing an interest rate of 5.875%; and (iii) $15.0 million of unregistered junior subordinated unsecured debt securities (the "Trust Preferred Debt"). The indentures governing the outstanding Senior Notes contain financial and other covenants. See Note 14 of the Notes to the Consolidated Financial Statements for additional details on our Unsecured borrowings.

As of September 30, 2026, outstanding borrowings under repos and Total other secured borrowings (which include Other secured borrowings and Other secured borrowings, at fair value, as presented on our Consolidated Balance Sheet) were $7.1 billion, and we had $11.3 billion of HMBS-related obligations.

The following table details our borrowings outstanding and debt-to-equity ratios as of September 30, 2026 and June 30, 2026:

	As of	
($ in thousands)	**September 30, 2026**	**June 30, 2026**
Recourse borrowings:		
Repurchase agreements	$ 3,570,514	$ 3,064,277
Other secured borrowings	251,568	256,988
Unsecured borrowings, at par	775,000	662,750
Total recourse borrowings	$ 4,597,082	$ 3,984,015
Debt-to-equity ratio based on total recourse borrowings	2.3:1	2.0:1
Debt-to-equity ratio based on total recourse borrowings excluding borrowings collateralized by U.S. Treasury securities	2.2:1	1.9:1
Debt-to-equity ratio based on total recourse borrowings excluding borrowings collateralized by U.S. Treasury securities, adjusted for unsettled purchases and sales[1]	2.2:1	1.9:1
Non-Recourse[2] Borrowings:		
Other Secured Borrowings, at fair value[3]	3,273,346	3,451,333
HMBS-related obligations, at fair value	11,294,032	11,057,752
Total non-recourse borrowings	14,567,378	14,509,085
Total Recourse and Non-Recourse Borrowings	$ 19,164,460	$ 18,493,100
Debt-to-equity ratio based on total recourse and non-recourse borrowings	9.4:1	9.2:1
Debt-to-equity ratio based on total recourse and non-recourse borrowings excluding borrowings collateralized by U.S. Treasury securities	9.4:1	9.2:1
Debt-to-equity ratio based on total recourse and non-recourse borrowings excluding borrowings collateralized by U.S. Treasury securities, adjusted for unsettled purchases and sales[1]	9.4:1	9.2:1

(1) For unsettled purchases and sales, assumes associated borrowings are subject to haircuts of 4.9% as of both September 30, 2026 and June 30, 2026.
(2) All of our non-recourse borrowings are secured by collateral. In the event of default under a non-recourse borrowing, the lender has a claim against the collateral but not any of the Operating Partnership's other assets. In the event of default under a recourse borrowing, the lender's claim is not limited to the collateral (if any).
(3) Relates to our residential mortgage and reverse mortgage loan securitizations, where we have elected the fair value option on the related debt. See Note 2 and Note 13 of our Condensed Consolidated Financial Statements.

Our recourse debt-to-equity ratio, excluding borrowings collateralized by U.S. Treasury securities and adjusted for unsettled purchases and sales, increased to 2.2:1 as of September 30, 2026 from 1.9:1 as of June 30, 2026. This increase reflected the net increase in unsecured notes outstanding, as well as an increase in warehouse borrowings for loans awaiting securitization. The effect of higher recourse borrowings on the ratio was partially offset by securitization activity and higher total equity.

Our overall debt-to-equity ratio, based on total recourse and non-recourse borrowings excluding borrowings collateralized by U.S. Treasury securities and adjusted for unsettled purchases and sales, increased modestly to 9.4:1 as of September 30, 2026 from 9.2:1 as of June 30, 2026.

Our debt-to-equity ratios do not account for liabilities other than debt financings and do not include debt associated with securitization transactions accounted for as sales.

Our secured financing costs include interest expense related to our repo borrowings and Total other secured borrowings (which include Other secured borrowings and Other secured borrowings, at fair value, as presented on our Consolidated Balance Sheet but exclude HMBS-related obligations). For the three-month period ended September 30, 2026, the average cost of funds on our secured financings increased to 5.13% from 4.92% for the three-month period ended June 30, 2026. Our unsecured financing costs consist of interest expense related to our Unsecured borrowings. The average borrowing rate on our unsecured financings decreased to 6.59% from 6.79% over the same period. Our overall average cost of funds, including both secured and unsecured financings, increased to 5.26% from 5.09%.

Critical Accounting Estimates

Our consolidated financial statements include the accounts of Ellington Financial Inc., its Operating Partnership, its subsidiaries, and variable interest entities ("VIEs"), for which we are deemed to be the primary beneficiary. All intercompany balances and transactions have been eliminated.

The preparation of our unaudited condensed consolidated financial statements in accordance with U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Our critical accounting estimates are those which require assumptions to be made about matters that are highly uncertain. Actual results could differ from those estimates and such differences could have a material impact on our financial condition and/or results of operations. We believe that all of the decisions and assessments upon which our consolidated financial statements are based were reasonable at the time made based upon information available to us at that time. We rely on the experience of our Manager and Ellington and analysis of historical and current market data in order to arrive at what we believe to be reasonable estimates. See Note 2 of the notes to our consolidated financial statements for a complete discussion of our significant accounting policies. We have identified our most critical accounting estimates to be the following:

Valuation: We have elected the fair value option for the vast majority of our assets and liabilities for which such election is permitted, as provided for under ASC 825, *Financial Instruments* ("ASC 825"). For financial instruments that are traded in an "active market," the best measure of fair value is the quoted market price. However, many of our financial instruments are not traded in an active market. Therefore, management generally uses third-party valuations when available. If third-party valuations are not available, management uses other valuation techniques, such as the discounted cash flow methodology.

Summary descriptions, for various categories of financial instruments, of the valuation methodologies management uses in determining fair value of our financial instruments are detailed in Note 2 of the notes to our consolidated financial statements. Management utilizes such methodologies to assign a good faith fair value (the estimated price that, in an orderly transaction at the valuation date, would be received to sell an asset, or paid to transfer a liability, as the case may be) to each such financial instrument. See the notes to our consolidated financial statements for more information on valuation techniques used by management in the valuation of our assets and liabilities.

Because of the inherent uncertainty of valuation, the estimated fair value of our financial instruments may differ significantly from the values that would have been used had a ready market for the financial instruments existed, and the differences could be material to our consolidated financial statements.

The determination of estimated fair value of those of our financial instruments that are not traded in an active market requires the use of both macroeconomic and microeconomic assumptions and/or inputs, which are generally based on current market and economic conditions. Changes in market and/or economic conditions could have a significant adverse effect on the estimated fair value of our financial instruments. Changes to assumptions, including assumed market yields, may significantly impact the estimated fair value of our investments. Our valuations are sensitive to changes in interest rates; see the interest rate sensitivity analysis included in Item 7A. Quantitative and Qualitative Disclosures about Market Risk in our Annual Report on Form 10-K for the year ended December 31, 2025, for further information.

VIEs: We evaluate each of our investments and other contractual arrangements to determine whether our interest constitutes a variable interest in a VIE, and if so whether we are the primary beneficiary of such VIE. In making these determinations we use both qualitative and quantitative analyses involving a significant amount of judgment, taking into consideration factors such as which interests in the VIE create or absorb variability, the contractual terms related to such interests, other transactions or agreements with the entity, key decision makers and their impact on the VIE's economic performance, and related party relationships.

Purchases and Sales of Investments and Investment Income: Purchase and sales transactions are generally recorded on trade date. Realized and unrealized gains and losses are calculated based on identified cost.

For securities, residential and commercial mortgage loans, consumer loans, and corporate loans, we generally amortize premiums and accrete discounts using the effective interest method. For certain of our securities, for purposes of estimating future expected cash flows, management uses assumptions including, but not limited to, assumptions for future prepayment rates, default rates, and loss severities (each of which may in turn incorporate various macroeconomic assumptions, such as future housing prices, GDP growth rates, and unemployment rates). In estimating future cash flows on certain of our loans, there are a number of assumptions that are subject to significant uncertainties and contingencies, including assumptions relating to prepayment rates, default rates, loan loss severities, and loan repurchases. These estimates require the use of a significant amount of judgment. Any resulting changes in effective yield are recognized prospectively based on the current amortized cost of the investment as adjusted for credit impairment, if any.

See the notes to our consolidated financial statements for more information on the assumptions and methods that we use to amortize purchase premiums and accrete purchase discounts.

Income Taxes: We have elected to be taxed as a REIT for U.S. federal income tax purposes, and generally are not subject to corporate-level federal and state income tax on net income we distribute to our stockholders within the prescribed timeframes. We have elected to treat certain domestic and foreign subsidiaries as TRSs. Our financial results are generally not expected to reflect provisions for current or deferred income taxes, except for any activities conducted through one or more TRSs that are subject to corporate income taxation. Establishing a provision for income tax expense requires judgment and interpretation of the application of various federal, state, local, and foreign jurisdictions' tax laws. We may take positions with respect to certain tax issues which depend on legal interpretation of facts or applicable tax regulations. Should the relevant tax regulators successfully challenge any such positions, we might be found to have a tax liability that has not been recorded in the accompanying consolidated financial statements. Also, management's conclusions regarding the authoritative guidance may be subject to review and adjustment at a later date based on changing tax laws, regulations, and interpretations thereof. See Note 2 and Note 15 to our consolidated financial statements for additional details on income taxes.

Recent Accounting Pronouncements

Refer to Note 2 to our condensed consolidated financial statements for a description of relevant recent accounting pronouncements, if any.

Financial Condition

The following table summarizes the fair value of our consolidated portfolio of investments[1] as of September 30, 2026 and December 31, 2025.

(In thousands)	September 30, 2026	December 31, 2025[2]
Long:		
Dollar denominated:		
Agency-eligible residential mortgage loans and retained RMBS[6][8]	$ 240,584	$ 243,615
Agency Pass-Throughs	167,312	203,633
CLOs	102,302	111,808
CMBS	16,837	26,550
Commercial mortgage loans[3][5]	912,459	765,059
Consumer loans and ABS backed by consumer loans[6]	154,268	143,648
Corporate debt and equity and corporate loans	43,056	29,147
Debt and equity investments in loan origination entities[7]	108,060	95,688
Forward MSR-related investments	74,379	77,852
Government debt	99,966	32,992
HELOC and CES Loans and retained RMBS[6][8]	352,363	364,838
Non-QM loans and retained non-QM RMBS[3][6][8]	2,343,828	2,624,068
Other RMBS and interest-only strips	134,984	109,974
Prime jumbo residential mortgage loans	77,232	—
Residential transition loans[3]	1,148,977	794,712
Reverse mortgage loans[3]	14,143,709	12,344,835
Reverse MSRs	30,289	28,913
Other residential mortgage loans[3][4]	43,049	44,744
Other investments[9][10]	66,870	70,466
Non-Dollar denominated:		
CLO	5,541	13,232
RMBS[10]	29,662	16,953
Other residential mortgage loans	23,581	27,536
Total long	$ 20,319,308	$ 18,170,263
Short:		
Dollar denominated:		
Government debt	(258,776)	(269,978)
Non-Dollar denominated		
Government debt	—	(2,724)
Total short	$ (258,776)	$ (272,702)

(1) For more detailed information about the investments in our portfolio, please see the notes to the consolidated financial statements.
(2) Conformed to current period presentation.
(3) Includes related REO. REO is not eligible to elect the fair value option as described in Note 2 of the notes to the consolidated financial statements and, as a result, is included at the lower of cost or fair value.
(4) Other residential mortgage loans include secondary market purchases of non-performing and re-performing mortgage loans and "scratch-and-dent" residential mortgage loans.
(5) Includes equity investments in unconsolidated entities holding commercial mortgage loans and REO and corporate loans secured by commercial mortgage loans.
(6) Includes equity investments in securitization-related vehicles.
(7) Includes corporate loans made to certain loan origination entities in which we hold an equity investment.
(8) Retained RMBS represents RMBS issued by non-consolidated Ellington-sponsored loan securitization trusts, and interest in entities holding such RMBS.
(9) Includes equity investment in Ellington affiliate.
(10) Includes loans to entities which purchase residential mortgage loans for eventual securitization.

The following table summarizes our financial derivatives portfolio[1][2] as of September 30, 2026.

(In thousands)	Notional			Net Fair Value
	Long	Short	Net	
Mortgage-Related Derivatives:				
CDS on MBS and MBS Indices	$ 170	$ (9,192)	$ (9,022)	$ 1,325
Total Net Mortgage-Related Derivatives				1,325
Corporate-Related Derivatives:				
CDS on Corporate Bonds and Corporate Bond Indices	468,225	(761,175)	(292,950)	2,067
Total Return Swaps	15,687	—	15,687	101
Options	10,606	(4,139)	6,467	6,605
Warrants[3]	116	—	116	1
Total Net Corporate-Related Derivatives				8,774
Interest Rate-Related Derivatives:				
TBAs	56,416	(405,073)	(348,657)	8,809
Interest Rate Swaps	6,376,900	(9,869,511)	(3,492,611)	125,111
U.S. Treasury Futures[4]	—	(245,100)	(245,100)	6,474
Total Interest Rate-Related Derivatives				140,394
Other Derivatives:				
Foreign Currency Forwards[5]	—	(35,917)	(35,917)	750
Total Net Other Derivatives				750
Net Total				$ 151,243

(1) For more detailed information about the financial derivatives in our portfolio, please refer to Note 10 of the notes to the consolidated financial statements.
(2) In the table above, fair value of certain derivative transactions are shown on a net basis. The accompanying financial statements separate derivative transactions as either assets or liabilities. As of September 30, 2026, derivative assets and derivative liabilities were $346.6 million and $(195.3) million, respectively, for a net fair value of $151.2 million, as reflected in "Net Total" above.
(3) Notional represents the maximum number of shares available to be purchased upon exercise.
(4) Notional value represents the total face amount of U.S. Treasury securities underlying all contracts held. As of September 30, 2026, a total of 2,451 short U.S. Treasury futures contracts were held.
(5) Short notional value represents U.S. Dollars to be received by us at the maturity of the forward contract.

The following table summarizes our financial derivatives portfolio[1][2] as of December 31, 2025.

(In thousands)	Notional			Net Fair Value
	Long	Short	Net	
Mortgage-Related Derivatives:				
CDS on MBS and MBS Indices	$ 190	$ (26,739)	$ (26,549)	$ 2,204
Total Net Mortgage-Related Derivatives				2,204
Corporate-Related Derivatives:				
CDS on Corporate Bonds and Corporate Bond Indices	165,010	(1,047,704)	(882,694)	(20,941)
Total Return Swaps	1,772	—	1,772	24
Options	8,575	—	8,575	5,607
Warrants[3]	109	—	109	1
Total Net Corporate-Related Derivatives				(15,309)
Interest Rate-Related Derivatives:				
TBAs	89,488	(328,374)	(238,886)	(341)
Interest Rate Swaps	6,056,495	(8,223,774)	(2,167,279)	102,101
U.S. Treasury Futures[4]	1,900	(257,200)	(255,300)	1,050
Total Interest Rate-Related Derivatives				102,810
Other Derivatives:				
Foreign Currency Forwards[5]	—	(28,934)	(28,934)	(55)
Total Net Other Derivatives				(55)
Net Total				$ 89,650

(1) For more detailed information about the financial derivatives in our portfolio, please refer to Note 10 of the notes to the consolidated financial statements.

(2) In the table above, fair value of certain derivative transactions are shown on a net basis. The accompanying financial statements separate derivative transactions as either assets or liabilities. As of December 31, 2025, derivative assets and derivative liabilities were $142.7 million and $(53.1) million, respectively, for a net fair value of $89.7 million, as reflected in "Net Total" above.
(3) Notional represents the maximum number of shares available to be purchased upon exercise.
(4) Notional value represents the total face amount of U.S. Treasury securities underlying all contracts held. As of December 31, 2025, a total of 19 long and 2,323 short U.S. Treasury futures contracts were held.
(5) Short notional value represents U.S. Dollars to be received by us at the maturity of the forward contract.

As of September 30, 2026, our Consolidated Balance Sheet reflected total assets of $21.9 billion and total liabilities of $19.9 billion. As of December 31, 2025, our Consolidated Balance Sheet reflected total assets of $19.4 billion and total liabilities of $17.5 billion. Our investments in securities, loans, MSRs, Forward MSR-related investments, unconsolidated entities, loan commitments, financial derivatives, and real estate owned included in total assets were $20.7 billion and $18.3 billion as of September 30, 2026 and December 31, 2025, respectively. Our investments in securities sold short and financial derivatives included in total liabilities were $454.1 million and $325.8 million as of September 30, 2026 and December 31, 2025, respectively. As of both September 30, 2026 and December 31, 2025, investments in securities sold short consisted principally of short positions in U.S. Treasury securities and sovereign bonds. We primarily use interest rate swaps; short positions in TBAs, U.S. Treasury securities and sovereign bonds; and currency forwards to hedge the risk of rising interest rates and foreign currency risk.

The amounts of net short TBAs, as well as of other hedging instruments, may fluctuate according to the size of our investment portfolio as well as according to how we view market dynamics as favoring the use of one hedging instrument or another. As measured on a notional basis, we had a net short TBA position of $(348.7) million and $(238.9) million as of September 30, 2026 and December 31, 2025, respectively. As measured in 10-year equivalents, we had a net short TBA position of $(269.1) million and $(98.5) million as of September 30, 2026 and December 31, 2025, respectively. Ten-year equivalents represent the amount of 10-year U.S. Treasury securities that would be expected to experience a similar change in market value under a standard parallel move in interest rates.

For a more detailed discussion of our investment portfolio, see "*—Trends and Recent Market Developments—Portfolio Overview and Outlook*" above.

We use mortgage-related credit derivatives primarily to hedge credit risk in certain credit strategies, although we have also taken net long positions in certain CDS on RMBS and CMBS indices. Our CDS on individual RMBS represent "single-name" positions whereby we have synthetically purchased credit protection on specific non-Agency RMBS bonds. As there is no longer an active market for CDS on individual RMBS or CDS on RMBS indices, our portfolios in these sectors continue to run off. We also use CDS on corporate bond indices, options thereon, and various other instruments as a means to hedge credit risk. As market conditions change, especially as the pricing of various credit hedging instruments changes in relation to our outlook on future credit performance, we continuously re-evaluate both the extent to which we hedge credit risk and the particular mix of instruments that we use to hedge credit risk.

We may hold long and/or short positions in corporate bonds or equities. Our long and short positions in corporate bonds or equities may serve as outright investments or portfolio hedges.

We use a variety of instruments to hedge interest rate risk in our portfolio, including non-derivative instruments such as U.S. Treasury securities and sovereign debt instruments, and derivative instruments such as interest rate swaps, TBAs, Eurodollar and U.S. Treasury futures, and options on the foregoing. The mix of instruments that we use to hedge interest rate risk may change materially from one period to the next. We have also entered into foreign currency forward and futures contracts in order to hedge risks associated with foreign currency fluctuations.

We have entered into repos to finance many of our assets. We account for our repos as collateralized borrowings. As of September 30, 2026 indebtedness outstanding on our repos was approximately $3.6 billion. As of September 30, 2026, our assets financed with repos consisted of $80.2 million of Agency Pass-Throughs, $100.0 million of U.S. Treasury securities, and $4.1 billion of other securities, loans, and REO. As of September 30, 2026, outstanding indebtedness under repos was $77.0 million for Agency Pass-Throughs, $101.4 million for U.S. Treasury securities, and $3.4 billion for all other securities, loans and REO. As of December 31, 2025 indebtedness outstanding on our repos was approximately $2.7 billion. As of December 31, 2025, our assets financed with repos consisted of $203.1 million of Agency Pass-Throughs, $33.0 million of U.S. Treasury securities, and $3.0 billion of other securities, loans, and REO. As of December 31, 2025, outstanding indebtedness under repos was $193.1 million for Agency Pass-Throughs, $33.3 million for U.S. Treasury securities, and $2.4 billion for all other securities, loans and REO.

In addition to our repos, as of September 30, 2026 we had Total other secured borrowings of $3.5 billion, collateralized primarily by $3.8 billion of residential mortgage loans, ABS backed by consumer loans, reverse mortgage loans, and reserve cash. This compares to Total other secured borrowings of $3.2 billion as of December 31, 2025, collateralized primarily by $3.5

billion of residential mortgage loans, ABS backed by consumer loans, reverse mortgage loans, and reserve cash. Additionally, as of September 30, 2026, we had HMBS-related obligations of $11.3 billion collateralized by $11.4 billion of HMBS assets, and as of December 31, 2025, we had HMBS-related obligations of $10.4 billion collateralized by $10.5 billion of HMBS assets, which include HECM loans as well as REO and claims and other receivables. In addition to our secured borrowings, as of September 30, 2026 and December 31, 2025, we had Unsecured borrowings outstanding of $775.0 million and $662.8 million, respectively.

As of September 30, 2026 and December 31, 2025, our debt-to-equity ratio was 9.4:1 and 9.1:1, respectively. Our recourse debt-to-equity ratio was 2.3:1 as of September 30, 2026 as compared to 1.9:1 as of December 31, 2025. See the discussion in "*—Liquidity and Capital Resources*" below for further information on our borrowings.

Equity

As of September 30, 2026, our equity increased by $161.9 million to $2.033 billion from $1.871 billion as of December 31, 2025. The increase principally consisted of net proceeds from the issuance of common stock of $225.7 million, after commissions and offering costs; net income of $211.5 million; and contributions from non-controlling interests of $24.6 million. These increases were partially offset by the redemption of preferred stock of $115.0 million, common and preferred dividends of $164.5 million, and distributions to non-controlling interests of $26.6 million. Stockholders' equity, which excludes the convertible non-controlling interests in the Operating Partnership as well as the non-convertible non-controlling interests in certain of our other subsidiaries, was $1.991 billion as of September 30, 2026. As of September 30, 2026, our book value per share of common stock, calculated using Total Stockholders' Equity less the aggregate liquidation preference of outstanding preferred stock, was $13.53.

Results of Operations

Results of Operations for the Three-Month Periods Ended September 30, 2026 and 2025

The following tables summarize our results of operations by segment (as applicable) for the three-month periods ended September 30, 2026 and 2025:

	Three-Month Period Ended September 30, 2026			
(In thousands except per share amounts)	**Investment Portfolio**	**Longbridge**	**Corporate/ Other**	**Total**
Interest Income (Expense)				
Interest income	$ 115,989	$ 57,046	$ 1,652	$ 174,687
Interest expense	(55,134)	(39,547)	(11,054)	(105,735)
Net interest income	60,855	17,499	(9,402)	68,952
Other Income (Loss)				
Realized and unrealized gains (losses) on securities and loans, net	(73,934)	(84,698)	—	(158,632)
Realized and unrealized gains (losses) on financial derivatives, net	36,738	39,831	(8,224)	68,345
Realized and unrealized gains (losses) on real estate owned, net	(2,675)	(347)	—	(3,022)
Unrealized gains (losses) on other secured borrowings, at fair value, net	53,749	67,631	—	121,380
Realized and unrealized gains (losses) on unsecured borrowings, at fair value	—	—	6,600	6,600
Net change from HECM reverse mortgage loans, at fair value	—	85,403	—	85,403
Net change related to HMBS obligations, at fair value	—	(72,547)	—	(72,547)
Other, net	(5,501)	6,743	—	1,242
Total other income (loss)	8,377	42,016	(1,624)	48,769
Expenses				
Base management fee to affiliate, net of fee rebates[1]	—	—	7,344	7,344
Incentive fee to affiliate	—	—	902	902
Investment and transaction related expenses	5,730	14,585	2,078	22,393
Other operating expenses	3,693	32,458	5,109	41,260
Total expenses	9,423	47,043	15,433	71,899
Net Income (Loss) before Income Tax Expense (Benefit) and Earnings (Losses) from Investments in Unconsolidated Entities	59,809	12,472	(26,459)	45,822
Income tax expense (benefit)	—	—	1,987	1,987
Earnings (losses) from investments in unconsolidated entities	2,098	—	—	2,098
Net Income (Loss)	61,907	12,472	(28,446)	45,933
Net income (loss) attributable to non-controlling interests	834	—	512	1,346
Dividends on preferred stock	—	—	4,205	4,205
Net Income (Loss) Attributable to Common Stockholders	$ 61,073	$ 12,472	$ (33,163)	$ 40,382
Net Income (Loss) Per Common Share	$ 0.47	$ 0.10	$ (0.26)	$ 0.31

(1) See Note 16 of the notes to the consolidated financial statements for further details on management fee rebates.

(In thousands except per share amounts)	Three-Month Period Ended September 30, 2025			
	Investment Portfolio	Longbridge	Corporate/Other	Total
Interest Income (Expense)				
Interest income	$ 90,790	$ 30,467	$ 1,589	$ 122,846
Interest expense	(46,585)	(22,576)	(3,965)	(73,126)
Net interest income	44,205	7,891	(2,376)	49,720
Other Income (Loss)				
Realized and unrealized gains (losses) on securities and loans, net	21,574	12,177	—	33,751
Realized and unrealized gains (losses) on financial derivatives, net	(7,213)	(3,867)	(452)	(11,532)
Realized and unrealized gains (losses) on real estate owned, net	(2,616)	(50)	—	(2,666)
Unrealized gains (losses) on other secured borrowings, at fair value, net	(8,586)	(12,558)	—	(21,144)
Realized and unrealized gains (losses) on unsecured borrowings, at fair value	—	—	(2,890)	(2,890)
Net change from HECM reverse mortgage loans, at fair value	—	205,973	—	205,973
Net change related to HMBS obligations, at fair value	—	(171,019)	—	(171,019)
Other, net	(5,236)	7,799	—	2,563
Total other income (loss)	(2,077)	38,455	(3,342)	33,036
Expenses				
Base management fee to affiliate, net of fee rebates[(1)]	—	—	6,173	6,173
Investment and transaction related expenses	5,677	12,136	—	17,813
Other operating expenses	1,828	25,586	5,612	33,026
Total expenses	7,505	37,722	11,785	57,012
Net Income (Loss) before Income Tax Expense (Benefit) and Earnings (Losses) from Investments in Unconsolidated Entities	34,623	8,624	(17,503)	25,744
Income tax expense (benefit)	—	—	1,060	1,060
Earnings (losses) from investments in unconsolidated entities	13,074	—	—	13,074
Net Income (Loss)	47,697	8,624	(18,563)	37,758
Net income (loss) attributable to non-controlling interests	846	—	334	1,180
Dividends on preferred stock	—	—	7,074	7,074
Net Income (Loss) Attributable to Common Stockholders	$ 46,851	$ 8,624	$ (25,971)	$ 29,504
Net Income (Loss) Per Common Share	$ 0.46	$ 0.09	$ (0.26)	$ 0.29

(1) See Note 16 of the notes to the consolidated financial statements for further details on management fee rebates.

Net Income (Loss) Attributable to Common Stockholders

For the three-month period ended September 30, 2026 we had net income (loss) attributable to common stockholders of $40.4 million, compared to $29.5 million for the three-month period ended September 30, 2025.

Interest Income

Interest income was $174.7 million for the three-month period ended September 30, 2026, as compared to $122.8 million for the three-month period ended September 30, 2025. Interest income includes coupon payments received and accrued on our holdings, the net accretion and amortization of purchase discounts and premiums on various holdings, and interest on our cash balances, including those balances held by our counterparties as collateral.

Investment Portfolio

Interest income from our investment portfolio segment for the three-month period ended September 30, 2026 increased to $116.0 million, as compared to $90.8 million for the three-month period ended September 30, 2025.

The following table[1] details our interest income, average holdings of yield-bearing assets, and weighted average yield based on amortized cost for the three-month periods ended September 30, 2026 and 2025:

($ In thousands)	Three-Month Period Ended	
	September 30, 2026	**September 30, 2025**
Interest Income	$ 109,014	$ 88,585
Average Holdings	$ 5,537,578	$ 4,682,984
Yield	7.87 %	7.57 %

(1) Amounts exclude interest income on cash and cash equivalents (including when posted as margin), long positions in U.S. Treasury securities, and reverse repo.

For the three-month period ended September 30, 2026, interest income from our investment portfolio was $109.0 million, as compared to $88.6 million for the three-month period ended September 30, 2025. This period-over-period increase was primarily driven by a significantly larger average investment portfolio and by higher average asset yields for the three-month period ended September 30, 2026.

In addition, we had $6.5 million and $2.0 million of interest income related to long U.S. Treasury securities and reverse repo for the three-month periods ended September 30, 2026 and 2025, respectively, which we generally use to hedge our exposure to changes in interest rates.

Longbridge

For the three-month periods ended September 30, 2026 and 2025, interest income from the Longbridge segment was $57.0 million and $30.5 million, respectively. The increase was primarily related to a larger portfolio of proprietary reverse mortgage loans period over period.

Corporate/Other

For the three-month periods ended September 30, 2026 and 2025, interest income not allocable to either the investment portfolio segment or the Longbridge segment was $1.7 million and $1.6 million, respectively, primarily related to interest income earned on cash balances and cash collateral held by counterparties.

Interest Expense

Interest expense primarily includes interest on funds borrowed under repos and Total other secured borrowings, interest on our unsecured borrowings, coupon interest on securities sold short, the related net accretion and amortization of purchase discounts and premiums on those short holdings, and interest on our counterparties' cash collateral held by us. For the three-month periods ended September 30, 2026 and 2025, we had total interest expense of $105.7 million and $73.1 million, respectively.

Investment Portfolio

Total interest expense in our investment portfolio segment increased to $55.1 million for the three-month period ended September 30, 2026, as compared to $46.6 million for the three-month period ended September 30, 2025. The increase in interest expense was primarily the result of an increase in average borrowings on our larger portfolio, partially offset by a decline in financing rates.

The table below summarizes the components of interest expense[1] in our Investment Portfolio for the three-month periods ended September 30, 2026 and 2025.

(In thousands)	Three-Month Period Ended	
	September 30, 2026	**September 30, 2025**
Repos and Total Other Secured Borrowings	$ 54,124	$ 46,290
Securities Sold Short	867	295
Other	143	—
Total	$ 55,134	$ 46,585

(1) Amounts include the related net accretion and amortization of purchase discounts and premiums.

The following table summarizes our aggregate secured borrowings in our Investment Portfolio, including repos and Total other secured borrowings, for the three-month periods ended September 30, 2026 and 2025.

	Three-Month Period Ended					
	September 30, 2026			September 30, 2025		
(In thousands)	Average Borrowings	Interest Expense	Average Cost of Funds	Average Borrowings	Interest Expense	Average Cost of Funds
Total	$ 4,449,174	$ 54,124	4.83 %	$ 3,680,055	$ 46,290	4.99 %
U.S. Treasury Securities	111,403	1,060	3.77 %	90,154	1,016	4.47 %
Total excluding U.S. Treasury Securities	4,337,771	53,064	4.85 %	3,589,901	45,274	5.00 %
Agency Pass-Throughs	103,869	995	3.80 %	162,281	1,848	4.52 %
Total excluding U.S. Treasury Securities and Agency Pass-Throughs	4,233,902	52,069	4.88 %	3,427,620	43,426	5.03 %

Among other instruments, we use interest rate swaps to hedge against the risk of rising interest rates. If we were to include as a component of our cost of funds the actual and accrued periodic payments on our interest rate swaps used to hedge our assets, our total average cost of funds would decrease to 4.32% and 4.02% for the three-month periods ended September 30, 2026 and 2025, respectively.

Net interest margin, defined as the average yield on our portfolio of yield-bearing assets (excluding U.S. Treasury securities) less the average cost of funds on our secured borrowings (including actual and accrued periodic payments on interest rate swaps as described above), on our investment portfolio for each of the three-month periods ended September 30, 2026 and 2025 was 3.55%.

Longbridge

Interest expense in the Longbridge segment primarily relates to Other secured borrowings and repurchase agreements. For the three-month periods ended September 30, 2026 and 2025, interest expense in the Longbridge segment was $39.5 million and $22.6 million, respectively. The increase in interest expense in the current period was primarily due to a significant increase in average borrowings on proprietary reverse mortgage loans, partially offset by a decrease in financing rates for the three-month period ended September 30, 2026, as well as a decrease in interest expense on securities sold short.

The table below summarizes the components of interest expense[(1)] in the Longbridge segment for the three-month periods ended September 30, 2026 and 2025.

	Three-Month Period Ended	
(In thousands)	September 30, 2026	September 30, 2025
Repos and Total Other Secured Borrowings	$ 37,416	$ 20,403
Securities Sold Short	2,131	2,173
Total	$ 39,547	$ 22,576

(1) Amount includes the related net accretion and amortization of purchase discounts and premiums.

For the three-month period ended September 30, 2026, average borrowings in the Longbridge segment were $2.6 billion and average cost of funds was 5.66%. This compares to average borrowings of $1.4 billion and an average cost of funds of 5.73% for the three-month period ended September 30, 2025.

Corporate/Other

Certain items of interest expense are not allocable to either the investment portfolio segment or the Longbridge segment, such as interest expense on Unsecured borrowings and certain cash collateral held by us. Total interest expense not allocable to either the investment portfolio segment or the Longbridge segment was $11.1 million and $4.0 million for the three-month periods ended September 30, 2026 and 2025, respectively. The increase in interest expense during the current period was due to an increase in the amount of unsecured notes outstanding in the current period.

Base Management Fees

Corporate/Other

For the three-month period ended September 30, 2026, the net base management fee, which is based on total equity at the end of each quarter less any applicable rebates our Manager credited us, was $7.3 million as compared to $6.2 million for the three-month period ended September 30, 2025. The increase in the net base management fee period over period was due to a larger capital base at the end of the third quarter of 2026, as compared to the end of the third quarter of 2025. See Note 16 of the notes to our consolidated financial statements for further detail on management fee rebates.

Incentive Fees

Corporate/Other

Each quarter, in addition to the base management fee, our Manager is also entitled to an incentive fee if our performance (as measured by adjusted net income, as defined in the management agreement) over the relevant rolling four quarter calculation period (including any opening loss carryforward) exceeds a defined return hurdle for the period. For the three-month period ended September 30, 2026, we incurred an incentive fee of $0.9 million; no incentive fee was incurred for the three-month period ended September 30, 2025. Because our operating results can vary materially from one period to another, incentive fee expense can be highly variable.

Investment and Transaction Related Expenses

Investment and transaction related expenses consist of servicing fees on our mortgage and consumer loans, origination expenses, as well as various other expenses and fees directly related to our financial assets and certain financial liabilities carried at fair value. For the three-month periods ended September 30, 2026 and 2025, investment and transaction related expenses were $22.4 million and $17.8 million, respectively.

Investment Portfolio

For each of the three-month periods ended September 30, 2026 and 2025, Investment and transaction related expenses in our investment portfolio segment were $5.7 million.

Longbridge

Investment and transaction related expenses in the Longbridge segment primarily consist of servicing expense related to reverse mortgage loans and various loan origination expenses. For the three-month periods ended September 30, 2026 and 2025, Investment and transaction related expenses were $14.6 million and $12.1 million, respectively; such increase was primarily due to an increase in various loan origination expenses and servicing expenses resulting from our larger origination volumes and larger holdings of reverse mortgage loans, partially offset by a decrease in debt issuance costs related to other secured borrowings, at fair value.

Other Operating Expenses

Other operating expenses consist of professional fees, compensation and benefit expenses related to our dedicated or partially dedicated personnel, and various other operating expenses necessary to run our business. Other operating expenses exclude management and incentive fees, interest expense, and investment and transaction related expenses. Other operating expenses were $41.3 million for the three-month period ended September 30, 2026 as compared to $33.0 million for the three-month period ended September 30, 2025.

Investment Portfolio

Other operating expenses in our investment portfolio segment were $3.7 million and $1.8 million for the three-month periods ended September 30, 2026 and 2025, respectively. The increase in other operating expenses for the three-month period ended September 30, 2026 was due to an increase in compensation and benefits expense.

Longbridge

For the three-month periods ended September 30, 2026 and 2025, other operating expenses in the Longbridge segment were $32.5 million and $25.6 million, respectively. These expenses primarily consist of compensation and benefits expense, and to a lesser extent, professional fees and various overhead costs including expenses related to technology and marketing. The quarter-over-quarter increase was primarily due to an increase in compensation and benefits expenses, and expenses related to technology and marketing.

Corporate/Other

For the three-month periods ended September 30, 2026 and 2025, other operating expenses not allocable to either the investment portfolio segment or the Longbridge segment were $5.1 million and $5.6 million, respectively. The quarter-over-quarter decrease was due to a decline in compensation and benefits expenses and other expenses, partially offset by an increase in professional fees.

Other Income (Loss)

Other income (loss) consists of net realized and unrealized gains (losses) on securities and residential mortgage, commercial mortgage, consumer, and corporate loans, financial derivatives, and real estate owned, unrealized gains (losses) on other secured borrowings, at fair value and Unsecured borrowings, at fair value, net change from HECM reverse mortgage loans, at fair value, and net change related to HMBS obligations, at fair value. Other, net, another component of Other income (loss), includes rental income and income related to loan originations and servicing, as well as income on MSRs and Forward MSR-related investments, unrealized gains (losses) on loan commitments, realized gains (losses) on foreign currency transactions, and unrealized gains (losses) on foreign currency remeasurement.

Investment Portfolio

For the three-month period ended September 30, 2026, other income (loss) was $8.4 million, consisting primarily of net realized and unrealized gains of $36.7 million on our financial derivatives and net unrealized gains of $53.7 million on our Other secured borrowings, at fair value. These gains were partially offset by net realized and unrealized losses of $(73.9) million on our securities and loans, $(2.7) million on real estate owned, as well as a $(5.5) million net loss in Other, net. Net realized and unrealized gains of $36.7 million on our financial derivatives primarily reflected the impact of higher interest rates on our interest rate swaps, short TBAs, and U.S. Treasury futures. Net realized and unrealized losses of $(73.9) million on our securities and loans were primarily attributable to non-QM loans, Agency-eligible loans, closed-end second lien loans, residential transition loans, CMBS, and certain other investments. These losses were partially offset by net realized and unrealized gains on non-QM retained tranches, non-Agency RMBS, and corporate debt and equity. Other, net reflected a $(5.5) million loss, primarily driven by net unrealized losses on loan purchase commitments and unrealized losses on foreign currency remeasurement, partially offset by unrealized gains on forward MSR-related investments, realized gains on foreign currency transactions, origination and other loan-related income, and rental income. We also recognized net unrealized gains of $53.7 million on our Other secured borrowings, at fair value for the three-month period ended September 30, 2026, related to the debt tranches of our consolidated mortgage loan securitizations; the net change in unrealized gain (loss) on the underlying securitized loans was $(58.8) million for the quarter and is included in Unrealized gains (losses) on securities and loans, net.

For the three-month period ended September 30, 2025, other income (loss) was $(2.1) million, consisting primarily of net unrealized losses of $(8.6) million on our Other secured borrowings, at fair value, net realized and unrealized losses of $(7.2) million on our financial derivatives, $(2.6) million on real estate owned, net, and $(5.2) million on Other, net. These losses were partially offset by net realized and unrealized gains of $21.6 million on our securities and loans. Net realized and unrealized gains of $21.6 million on our securities and loans were primarily on non-QM loans, Agency RMBS, residential transition loans, and other ABS. Net realized and unrealized losses of $(7.2) million on our financial derivatives were primarily related to net realized and unrealized losses, driven by lower interest rates, on our interest rate swaps, and to a lesser extent, our TBAs. Other, net of $(5.2) million consists primarily of net realized and unrealized losses on our Forward MSR-related investments, various origination and loan income, rental income, realized gains on foreign currency transactions, and unrealized losses on foreign currency remeasurement. We recognized net unrealized losses of $(8.6) million on our Other secured borrowings, at fair value for the quarter ended September 30, 2025, related to the debt tranches of our consolidated mortgage loan securitizations. These securitized non-QM loans had net unrealized gains of $5.6 million, which are included in Unrealized gains (losses) on securities and loans, net.

Longbridge

For the three-month period ended September 30, 2026, other income (loss) from the Longbridge segment was $42.0 million, consisting primarily of Net change from HECM reverse mortgage loans, at fair value of $85.4 million, net gains of $39.8 million on financial derivatives, and net gains of $67.6 million on Other secured borrowings, at fair value, and $6.7 million of Other, net, which were partially offset by $(84.7) million of net losses on securities and loans and Net change related to HMBS obligations, at fair value of $(72.5) million. Net change from HECM reverse mortgage loans at fair value of $85.4 million primarily consisted of $163.0 million of coupon income on HECM loans, net realized and unrealized losses of $(49.9) million on HECM loans primarily driven by the impact of higher interest rates which is partially offset by profitable new originations and tail fundings, and net losses of $(27.7) million on the HMBS MSR driven by runoff and valuation change. Net gains of $39.8 million on financial derivatives primarily reflected the impact of higher interest rates on our interest rate swaps, short TBAs, and U.S. Treasury futures. Net losses of $(84.7) million on securities and loans were primarily driven by unrealized losses on proprietary reverse mortgage loans resulting from the impact of higher interest rates and lower-than-

expected home price growth, partially offset by net gains of $67.6 million on Other secured borrowings, related to debt tranches of our consolidated proprietary reverse mortgage loan securitizations and gains on short positions in U.S. Treasury securities. Net change related to HMBS obligations, at fair value of $(72.5) million primarily consisted of $(151.6) million of interest expense on the HMBS obligations, which partially offset the interest income on HECM loans, and net unrealized gains of $79.0 million on the HMBS obligations primarily driven by the impact of higher interest rates. Other, net of $6.7 million is primarily related to $4.8 million of origination fees and $1.9 million of servicing fees.

For the three-month period ended September 30, 2025, other income (loss) from the Longbridge segment was $38.5 million, consisting primarily of gains from Net change from HECM reverse mortgage loans, at fair value of $206.0 million, net gains of $12.2 million on securities and loans, and $7.8 million of Other, net, which were partially offset by Net change related to HMBS obligations, at fair value of $(171.0) million, net losses of $(12.6) million on Other secured borrowings, at fair value, and net losses of $(3.9) million on financial derivatives. Net change from HECM reverse mortgage loans at fair value of $206.0 million primarily consisted of $151.1 million of coupon income on HECM loans, as well as net realized and unrealized gains of $52.8 million on HECM loans primarily driven by profitable new originations and tail fundings, as well as tighter yield spreads. Net change related to HMBS obligations, at fair value of $(171.0) million primarily consisted of $(140.1) million of interest expense on the HMBS obligations and net unrealized losses of $(30.1) million on the HMBS obligations, which partially offset the interest income and net realized and unrealized gains on HECM loans. Other, net of $7.8 million is primarily related to $5.4 million of origination fees and $2.0 million of servicing fees. Net gains of $12.2 million on securities and loans were primarily driven by unrealized gains on proprietary reverse mortgage loans, including gains related to a securitization of proprietary reverse mortgage loans.

Corporate/Other

For the three-month period ended September 30, 2026, other income (loss) was $(1.6) million. Higher interest rates during the third quarter resulted in losses on the fixed receiver interest rate swaps used to hedge the fixed payments on our unsecured notes and preferred equity. We also recorded a realized loss on the par redemption of our 6.00% senior notes, which were carried at a discount to par. These losses together exceeded the mark-to-market gains on our unsecured notes. Those gains were driven by higher interest rates but were partially offset by credit spread tightening on our existing notes, reflecting the tighter pricing achieved on our September add-on notes offering. For the three-month period ended September 30, 2025, other income (loss) was $(3.3) million, consisting primarily of net losses on our Unsecured borrowings, at fair value and related hedges.

Income Tax Expense (Benefit)

Corporate/Other

Income tax expense (benefit) was $2.0 million for the three-month period ended September 30, 2026, as compared to $1.1 million for the three-month period ended September 30, 2025.

Earnings (Losses) from Investments in Unconsolidated Entities

Investment Portfolio

We have elected the fair value option for our equity investments in unconsolidated entities. Earnings (losses) from investments in unconsolidated entities was $2.1 million for the three-month period ended September 30, 2026, as compared to $13.1 million for the three-month period ended September 30, 2025.

For the three-month period ended September 30, 2026, Earnings (losses) from investments in unconsolidated entities of $2.1 million primarily consisted of net realized and unrealized gains on investments in loan originators partially offset by net realized and unrealized losses on investments in risk retention vehicles related to residential mortgage loan securitizations.

For the three-month period ended September 30, 2025, Earnings (losses) from investments in unconsolidated entities of $13.1 million primarily consisted of net realized and unrealized gains on investments in loan originators, investments in entities holding commercial mortgage loans and REO, in which we co-invest with other Ellington affiliates, and investments in risk retention vehicles related to residential mortgage loan securitizations.

Results of Operations for the Nine-Month Periods Ended September 30, 2026 and 2025

The following tables summarize our results of operations by segment (as applicable) for the nine-month periods ended September 30, 2026 and 2025:

	Nine-Month Period Ended September 30, 2026			
(In thousands except per share amounts)	**Investment Portfolio**	**Longbridge**	**Corporate/ Other**	**Total**
Interest Income (Expense)				
Interest income	$ 343,833	$ 146,668	$ 4,525	$ 495,026
Interest expense	(158,090)	(100,774)	(33,671)	(292,535)
Net interest income	185,743	45,894	(29,146)	202,491
Other Income (Loss)				
Realized and unrealized gains (losses) on securities and loans, net	(102,872)	(57,814)	—	(160,686)
Realized and unrealized gains (losses) on financial derivatives, net	74,259	48,279	(18,521)	104,017
Realized and unrealized gains (losses) on real estate owned, net	(9,885)	(545)	—	(10,430)
Unrealized gains (losses) on other secured borrowings, at fair value, net	58,069	80,520	—	138,589
Realized and unrealized gains (losses) on unsecured borrowings, at fair value	—	—	11,470	11,470
Net change from HECM reverse mortgage loans, at fair value	—	472,457	—	472,457
Net change related to HMBS obligations, at fair value	—	(387,796)	—	(387,796)
Litigation settlement income	—	17,000	—	17,000
Other, net	2,750	22,260	—	25,010
Total other income (loss)	22,321	194,361	(7,051)	209,631
Expenses				
Base management fee to affiliate, net of fee rebates[1]	—	—	21,800	21,800
Incentive fee to affiliate	—	—	21,043	21,043
Investment and transaction related expenses	16,720	50,022	2,078	68,820
Other operating expenses	9,620	90,035	16,975	116,630
Total expenses	26,340	140,057	61,896	228,293
Net Income (Loss) before Income Tax Expense (Benefit) and Earnings (Losses) from Investments in Unconsolidated Entities	181,724	100,198	(98,093)	183,829
Income tax expense (benefit)	—	—	3,005	3,005
Earnings (losses) from investments in unconsolidated entities	30,637	—	—	30,637
Net Income (Loss)	212,361	100,198	(101,098)	211,461
Net income (loss) attributable to non-controlling interests	730	—	2,220	2,950
Dividends on preferred stock	—	—	14,293	14,293
Issuance costs of redeemed preferred stock	—	—	3,966	3,966
Net Income (Loss) Attributable to Common Stockholders	$ 211,631	$ 100,198	$ (121,577)	$ 190,252
Net Income (Loss) Per Common Share	$ 1.68	$ 0.80	$ (0.97)	$ 1.51

(1) See Note 16 of the notes to the consolidated financial statements for further details on management fee rebates.

(In thousands except per share amounts)	Nine-Month Period Ended September 30, 2025			
	Investment Portfolio	Longbridge	Corporate/Other	Total
Interest Income (Expense)				
Interest income	$ 273,806	$ 75,453	$ 4,971	$ 354,230
Interest expense	(146,968)	(58,526)	(12,416)	(217,910)
Net interest income	126,838	16,927	(7,445)	136,320
Other Income (Loss)				
Realized and unrealized gains (losses) on securities and loans, net	95,451	42,325	—	137,776
Realized and unrealized gains (losses) on financial derivatives, net	(40,366)	(13,472)	705	(53,133)
Realized and unrealized gains (losses) on real estate owned, net	(10,032)	369	—	(9,663)
Unrealized gains (losses) on other secured borrowings, at fair value, net	(44,764)	(33,588)	—	(78,352)
Realized and unrealized gains (losses) on unsecured borrowings, at fair value	—	—	(4,946)	(4,946)
Net change from HECM reverse mortgage loans, at fair value	—	551,780	—	551,780
Net change related to HMBS obligations, at fair value	—	(460,701)	—	(460,701)
Other, net	17,042	22,083	—	39,125
Total other income (loss)	17,331	108,796	(4,241)	121,886
Expenses				
Base management fee to affiliate, net of fee rebates[(1)]	—	—	18,535	18,535
Incentive fee to affiliate	—	—	4,533	4,533
Investment and transaction related expenses	13,963	36,125	—	50,088
Other operating expenses	6,124	71,286	15,495	92,905
Total expenses	20,087	107,411	38,563	166,061
Net Income (Loss) before Income Tax Expense (Benefit) and Earnings (Losses) from Investments in Unconsolidated Entities	124,082	18,312	(50,249)	92,145
Income tax expense (benefit)	—	—	2,439	2,439
Earnings (losses) from investments in unconsolidated entities	38,449	—	—	38,449
Net Income (Loss)	162,531	18,312	(52,688)	128,155
Net income (loss) attributable to non-controlling interests	1,764	—	1,170	2,934
Dividends on preferred stock	—	—	21,145	21,145
Net Income (Loss) Attributable to Common Stockholders	$ 160,767	$ 18,312	$ (75,003)	$ 104,076
Net Income (Loss) Per Common Share	$ 1.67	$ 0.19	$ (0.78)	$ 1.08

(1) See Note 16 of the notes to the consolidated financial statements for further details on management fee rebates.

Net Income (Loss) Attributable to Common Stockholders

For the nine-month period ended September 30, 2026 we had net income (loss) attributable to common stockholders of $190.3 million, compared to $104.1 million for the nine-month period ended September 30, 2025.

Interest Income

Interest income was $495.0 million for the nine-month period ended September 30, 2026, as compared to $354.2 million for the nine-month period ended September 30, 2025. Interest income includes coupon payments received and accrued on our holdings, the net accretion and amortization of purchase discounts and premiums on various holdings, and interest on our cash balances, including those balances held by our counterparties as collateral.

Investment Portfolio

Interest income from our investment portfolio segment for the nine-month period ended September 30, 2026 increased to $343.8 million, as compared to $273.8 million for the nine-month period ended September 30, 2025.

The following table[1] details our interest income, average holdings of yield-bearing assets, and weighted average yield based on amortized cost for the nine-month periods ended September 30, 2026 and 2025:

($ In thousands)	Nine-Month Period Ended	
	September 30, 2026	**September 30, 2025**
Interest Income	$ 327,187	$ 265,024
Average Holdings	$ 5,691,712	$ 4,786,211
Yield	7.66 %	7.38 %

(1) Amounts exclude interest income on cash and cash equivalents (including when posted as margin), long positions in U.S. Treasury securities, and reverse repo.

For the nine-month period ended September 30, 2026, interest income from our investment portfolio was $327.2 million, as compared to $265.0 million for the nine-month period ended September 30, 2025. This period-over-period increase was primarily driven by a significantly larger average investment portfolio and by higher average asset yields for the nine-month period ended September 30, 2026.

In addition, we had $16.2 million and $8.0 million of interest income related to long U.S. Treasury securities and reverse repo for the nine-month periods ended September 30, 2026 and 2025, respectively, which we generally use to hedge our exposure to changes in interest rates.

Longbridge

For the nine-month periods ended September 30, 2026 and 2025, interest income from the Longbridge segment was $146.7 million and $75.5 million, respectively. The increase was primarily related to a larger portfolio of proprietary reverse mortgage loans period over period for the nine-month period ended September 30, 2026.

Corporate/Other

For the nine-month periods ended September 30, 2026 and 2025, interest income not allocable to either the investment portfolio segment or the Longbridge segment was $4.5 million and $5.0 million, respectively, primarily related to interest income earned on cash balances and cash collateral held by counterparties.

Interest Expense

Interest expense primarily includes interest on funds borrowed under repos and Total other secured borrowings, interest on our unsecured borrowings, coupon interest on securities sold short, the related net accretion and amortization of purchase discounts and premiums on those short holdings, and interest on our counterparties' cash collateral held by us. For the nine-month periods ended September 30, 2026 and 2025, we had total interest expense of $292.5 million and $217.9 million, respectively.

Investment Portfolio

Total interest expense in our investment portfolio segment increased to $158.1 million for the nine-month period ended September 30, 2026, as compared to $147.0 million for the nine-month period ended September 30, 2025. The increase in interest expense was primarily the result of an increase in borrowings on our larger investment portfolio and an increase in interest expense on securities sold short, partially offset by a decline in financing rates.

The table below summarizes the components of interest expense[1] in our Investment Portfolio for the nine-month periods ended September 30, 2026 and 2025.

(In thousands)	Nine-Month Period Ended	
	September 30, 2026	**September 30, 2025**
Repos and Total Other Secured Borrowings	$ 154,550	$ 146,249
Securities Sold Short	3,330	689
Other	210	30
Total	$ 158,090	$ 146,968

(1) Amount includes the related net accretion and amortization of purchase discounts and premiums.

The following table summarizes our aggregate secured borrowings, including repos and Total other secured borrowings, for the nine-month periods ended September 30, 2026 and 2025.

	Nine-Month Period Ended					
	September 30, 2026			September 30, 2025		
	Average Borrowings	Interest Expense	Average Cost of Funds	Average Borrowings	Interest Expense	Average Cost of Funds
(In thousands)						
Total	$ 4,338,908	$ 154,550	4.76 %	$ 3,844,417	$ 146,249	5.09 %
U.S. Treasury Securities	102,569	2,881	3.75 %	156,085	5,245	4.49 %
Total excluding U.S. Treasury Securities	4,236,339	151,669	4.79 %	3,688,332	141,004	5.11 %
Agency Pass-Throughs	126,539	3,594	3.80 %	186,937	6,351	4.54 %
Total excluding U.S. Treasury Securities and Agency Pass-Throughs	4,109,800	148,075	4.82 %	3,501,395	134,653	5.14 %

Among other instruments, we use interest rate swaps to hedge against the risk of rising interest rates. If we were to include as a component of our cost of funds the actual and accrued periodic payments on our interest rate swaps used to hedge our assets, our total average cost of funds would decrease to 4.24% and 4.20% for the nine-month periods ended September 30, 2026 and 2025, respectively.

Net interest margin, as defined above, on our investment portfolio for the nine-month periods ended September 30, 2026 and 2025 was 3.42% and 3.18%, respectively.

Longbridge

Interest expense in the Longbridge segment primarily relates to Other secured borrowings and repurchase agreements. For the nine-month periods ended September 30, 2026 and 2025, interest expense in the Longbridge segment was $100.8 million and $58.5 million, respectively. The increase in interest expense in the current period was primarily due to an increase in average borrowings on proprietary reverse mortgage loans, partially offset by a decrease in financing rates for the nine-month period ended September 30, 2026, as well as a decrease in interest expense on securities sold short.

The table below summarizes the components of interest expense[(1)] in the Longbridge segment for the nine-month periods ended September 30, 2026 and 2025.

	Nine-Month Period Ended	
(In thousands)	September 30, 2026	September 30, 2025
Repos and Total Other Secured Borrowings	$ 95,231	$ 50,835
Securities Sold Short	5,543	7,691
Total	$ 100,774	$ 58,526

(1) Amount includes the related net accretion and amortization of purchase discounts and premiums.

For the nine-month period ended September 30, 2026, average borrowings in the Longbridge segment were $2.4 billion and the average cost of funds was 5.40%. This compares to average borrowings of $1.2 billion and an average cost of funds of 5.70% for the nine-month period ended September 30, 2025.

Corporate/Other

Certain items of interest expense are not allocable to either the investment portfolio segment or the Longbridge segment, such as interest expense on Unsecured borrowings and certain cash collateral held by us. Total interest expense not allocable to either the investment portfolio segment or the Longbridge segment was $33.7 million and $12.4 million for the nine-month periods ended September 30, 2026 and 2025, respectively. The rise in interest expense during the current period was due to an increase in the amount of unsecured notes outstanding in the current period.

The table below summarizes the components of interest expense not included in either segment for the nine-month periods ended September 30, 2026 and 2025.

	Nine-Month Period Ended	
(In thousands)	**September 30, 2026**	**September 30, 2025**
Unsecured borrowings	$ 33,670	$ 12,398
Other	1	18
Total	$ 33,671	$ 12,416

Base Management Fees

Corporate/Other

For the nine-month period ended September 30, 2026, the net base management fee, which is based on total equity at the end of each quarter less any applicable rebates our Manager credited us, was $21.8 million as compared to $18.5 million for the nine-month period ended September 30, 2025. The increase in the net base management fee period over period was due to a larger capital base at the end of each quarter in 2026, as compared to the respective quarters in 2025. See Note 16 of the notes to our consolidated financial statements for further detail on management fee rebates.

Incentive Fees

Corporate/Other

Each quarter, in addition to the base management fee, our Manager is also entitled to an incentive fee if our performance (as measured by adjusted net income, as defined in the management agreement) over the relevant rolling four quarter calculation period (including any opening loss carryforward) exceeds a defined return hurdle for the period. For the nine-month periods ended September 30, 2026 and 2025, we incurred an incentive fee of $21.0 million and $4.5 million, respectively. Because our operating results can vary materially from one period to another, incentive fee expense can be highly variable.

Investment and Transaction Related Expenses

Investment and transaction related expenses consist of servicing fees on our mortgage and consumer loans, origination expenses, as well as various other expenses and fees directly related to our financial assets and certain financial liabilities carried at fair value. For the nine-month periods ended September 30, 2026 and 2025, investment and transaction related expenses were $68.8 million and $50.1 million, respectively.

Investment Portfolio

For the nine-month periods ended September 30, 2026 and 2025, Investment and transaction related expenses in our investment portfolio segment were $16.7 million and $14.0 million, respectively. The increase in investment and transaction related expenses was primarily due to an increase in investment-related expenses related to our residential and commercial mortgage loan and REO portfolios, as well as an increase in servicing expense on our larger average commercial mortgage loan portfolio during the period.

Longbridge

Investment and transaction related expenses in the Longbridge segment primarily consist of servicing expense related to reverse mortgage loans and various loan origination expenses. For the nine-month periods ended September 30, 2026 and 2025, Investment and transaction related expenses were $50.0 million and $36.1 million, respectively; such increase was primarily due to an increase in various loan origination expenses and servicing expenses resulting from our larger origination volumes and larger holdings of reverse mortgage loans, and an increase in debt issuance costs related to other secured borrowings, at fair value.

Other Operating Expenses

Other operating expenses consist of professional fees, compensation and benefit expenses related to our dedicated or partially dedicated personnel, and various other operating expenses necessary to run our business. Other operating expenses exclude management and incentive fees, interest expense, and investment and transaction related expenses. Other operating expenses were $116.6 million for the nine-month period ended September 30, 2026 as compared to $92.9 million for the nine-month period ended September 30, 2025.

Investment Portfolio

Other operating expenses in our investment portfolio segment were $9.6 million and $6.1 million for the nine-month periods ended September 30, 2026 and 2025, respectively. The increase in other operating expenses for the nine-month period ended September 30, 2026 was due to an increase in compensation and benefits expense.

Longbridge

For the nine-month periods ended September 30, 2026 and 2025, other operating expenses in the Longbridge segment were $90.0 million and $71.3 million, respectively. These expenses primarily consist of compensation and benefits expense, and to a lesser extent of professional fees and various overhead costs including expenses related to technology and marketing. The period-over-period increase was primarily due to an increase in compensation and benefits expenses, and expenses related to technology and marketing.

Corporate/Other

For the nine-month periods ended September 30, 2026 and 2025, other operating expenses not allocable to either the investment portfolio segment or the Longbridge segment were $17.0 million and $15.5 million, respectively. The period-over-period increase was due to increases in compensation and benefits expenses, professional fees, and other expenses.

Other Income (Loss)

Other income (loss) consists of net realized and unrealized gains (losses) on securities and residential mortgage, commercial mortgage, consumer, and corporate loans, financial derivatives, and real estate owned, unrealized gains (losses) on other secured borrowings, at fair value and Unsecured borrowings, at fair value, net change from HECM reverse mortgage loans, at fair value, and net change related to HMBS obligations, at fair value. Other, net, another component of Other income (loss), includes rental income and income related to loan originations and servicing, as well as income on MSRs and Forward MSR-related investments, unrealized gains (losses) on loan commitments, realized gains (losses) on foreign currency transactions, and unrealized gains (losses) on foreign currency remeasurement.

Investment Portfolio

For the nine-month period ended September 30, 2026, other income (loss) was $22.3 million, consisting primarily of net realized and unrealized gains of $74.3 million on our financial derivatives, net unrealized gains of $58.1 million on our Other secured borrowings, at fair value, and $2.8 million in Other, net. These gains were partially offset by net realized and unrealized losses of $(102.9) million on our securities and loans and $(9.9) million on real estate owned. Net realized and unrealized gains of $74.3 million on our financial derivatives primarily reflected the impact of higher interest rates on our interest rate swaps and, to a lesser extent, on our short TBAs and U.S. Treasury futures. Net realized and unrealized losses of $(102.9) million on our securities and loans primarily reflected the impact of higher interest rates and were primarily attributable to non-QM loans, Agency-eligible loans, closed-end second lien loans, CLOs, CMBS, Agency RMBS, other residential mortgage loans, and certain other investments. These losses were partially offset by net realized and unrealized gains on non-QM retained tranches and non-Agency RMBS. Other, net was $2.8 million, primarily reflecting net unrealized gains on forward MSR-related investments, realized gains on foreign currency transactions, origination and other loan-related income, and rental income, partially offset by net unrealized losses on loan purchase commitments and unrealized losses on foreign currency remeasurement. We also recognized net unrealized gains of $58.1 million on our Other secured borrowings, at fair value for the nine-month period ended September 30, 2026, related to debt tranches of our consolidated mortgage loan securitizations. The net change in net unrealized gain (loss) on the underlying loans was $(66.6) million for the nine-month period and is included in Unrealized gains (losses) on securities and loans, net.

For the nine-month period ended September 30, 2025, other income (loss) was $17.3 million, consisting primarily of net realized and unrealized gains of $95.5 million on our securities and loans and $17.0 million of Other, net. These gains were partially offset by net unrealized losses of $(44.8) million on our Other secured borrowings, at fair value, $(40.4) million on our financial derivatives, and $(10.0) million on real estate owned, net. Net realized and unrealized gains of $95.5 million on our securities and loans were primarily on non-QM loans and retained tranches, Agency RMBS, closed-end second lien loans, HELOC loans, commercial mortgage loans, and other ABS. These gains were partially offset by net realized and unrealized losses on consumer loans and CLOs. Net realized and unrealized losses of $(40.4) million on our financial derivatives were primarily related to net realized and unrealized losses, driven by lower interest rates, on our interest rate swaps, and to a lesser extent, our TBAs. Other, net of $17.0 million consists primarily of net realized and unrealized gains on our Forward MSR-related investments, realized gains on foreign currency transactions, unrealized gains on foreign currency remeasurement, various origination and loan income, and rental income. We recognized net unrealized losses of $(44.8) million on our Other secured borrowings, at fair value for the nine-month period ended September 30, 2025, related to debt tranches of our consolidated mortgage loan securitizations. These securitized non-QM loans had net unrealized gains of $45.3 million, which are included in Unrealized gains (losses) on securities and loans, net.

Longbridge

For the nine-month period ended September 30, 2026, other income (loss) from the Longbridge segment was $194.4 million, consisting primarily of Net change from HECM reverse mortgage loans, at fair value of $472.5 million, income of $17.0 million from settlement of a litigation, net gains of $48.3 million on financial derivatives, net gains of $80.5 million on Other secured borrowings, at fair value, and $22.3 million of Other, net, which were partially offset by Net change related to HMBS obligations, at fair value of $(387.8) million and $(57.8) million of net losses on securities and loans. Net change from HECM reverse mortgage loans at fair value of $472.5 million primarily consisted of $464.1 million of coupon income on HECM loans, net realized and unrealized gains of $46.7 million on HECM loans primarily driven by profitable new originations and tail fundings, as well as tighter yield spreads, partially offset by the impact of higher interest rates, and net losses of $(38.3) million on the HMBS MSR driven by runoff and valuation change. Net change related to HMBS obligations, at fair value of $(387.8) million primarily consisted of $(430.3) million of interest expense on the HMBS obligations, which partially offset the interest income on HECM loans, and net unrealized gains of $42.6 million on the HMBS obligations driven by the impact of higher interest rates. Net gains of $48.3 million on financial derivatives primarily reflected the impact of higher interest rates on our interest rate swaps, short TBAs, and U.S. Treasury futures. Longbridge received a payment of $17.0 million pursuant to a legal settlement agreement executed between Longbridge and a third party. Net losses of $(57.8) million on securities and loans were primarily driven by unrealized losses on proprietary reverse mortgage loans resulting from the impact of higher interest rates and lower-than-expected home price growth, partially offset by gains from securitizations of proprietary reverse mortgage loans, and gains on short positions in U.S. Treasury securities. Other, net of $22.3 million, is primarily related to $13.9 million of origination fees, $5.8 million of servicing fees, $1.4 million of net gains on Reverse MSRs, and $0.6 million of net gains on loan commitments.

For the nine-month period ended September 30, 2025, other income (loss) from the Longbridge segment was $108.8 million, consisting primarily of gains from Net change from HECM reverse mortgage loans, at fair value of $551.8 million, net gains of $42.3 million on securities and loans, and $22.1 million of Other, net, which were partially offset by Net change related to HMBS obligations, at fair value of $(460.7) million, net losses of $(33.6) million on Other secured borrowings, at fair value, and net losses of $(13.5) million on financial derivatives. Net change from HECM reverse mortgage loans at fair value of $551.8 million primarily consisted of $448.2 million of coupon income on HECM loans, as well as net realized and unrealized gains of $105.0 million on HECM loans primarily driven by profitable new originations and tail fundings, as well as tighter yield spreads. Net change related to HMBS obligations, at fair value of $(460.7) million primarily consisted of $(418.2) million of interest expense on the HMBS obligations and net unrealized losses of $(42.5) million on the HMBS obligations, which partially offset the interest income and net realized and unrealized gains on HECM loans. Other, net of $22.1 million is primarily related to $14.0 million of origination fees and $6.0 million of servicing fees. Net gains of $42.3 million on securities and loans were primarily driven by unrealized gains on proprietary reverse mortgage loans, including gains related to securitizations of proprietary reverse mortgage loans, and gains on short positions in U.S. Treasury securities.

Corporate/Other

For the nine-month period ended September 30, 2026, other income (loss) was $(7.1) million, consisting primarily of losses on the fixed receiver interest rate swaps that we use to hedge the fixed payments on both our unsecured long-term debt and our preferred equity, partially offset by an unrealized gain on Unsecured borrowings, at fair value driven by the rise in interest rates during the period. We also recorded a realized loss on the par redemption of our 6% senior notes, which were carried at a discount to par. For the nine-month period ended September 30, 2025, other income (loss) was $(4.2) million, consisting primarily of net losses on our Unsecured borrowings, at fair value, partially offset by net gains on the fixed receiver interest rate swaps that we use to hedge the fixed payments on both our unsecured long-term debt and our preferred equity.

Income Tax Expense (Benefit)

Corporate/Other

Income tax expense (benefit) was $3.0 million for the nine-month period ended September 30, 2026, as compared to $2.4 million for the nine-month period ended September 30, 2025.

Earnings (Losses) from Investments in Unconsolidated Entities

Investment Portfolio

We have elected the fair value option for our equity investments in unconsolidated entities. Earnings (losses) from investments in unconsolidated entities was $30.6 million for the nine-month period ended September 30, 2026, as compared to $38.4 million for the nine-month period ended September 30, 2025. For the nine-month period ended September 30, 2026, Earnings (losses) from investments in unconsolidated entities of $30.6 million primarily consisted of net realized and unrealized gains on investments in loan originators and investments in entities holding commercial mortgage loans and REO, in which we co-invest with other Ellington affiliates.

For the nine-month period ended September 30, 2025, Earnings (losses) from investments in unconsolidated entities of $38.4 million primarily consisted of net realized and unrealized gains on investments in loan originators, investments in unconsolidated entities related to risk retention related vehicles related to non-QM loan securitizations, and investments in entities holding commercial mortgage loans and REO, in which we co-invest with other Ellington affiliates.

Adjusted Distributable Earnings

We calculate Adjusted Distributable Earnings as U.S. GAAP net income (loss) as adjusted for: (i) realized and unrealized gain (loss) on securities and loans, REO, mortgage servicing rights, financial derivatives (excluding periodic settlements on interest rate swaps), any borrowings carried at fair value, and foreign currency transactions; (ii) Catch-up Amortization Adjustment (as defined below); (iii) non-cash equity compensation expense; (iv) provision for income taxes; (v) certain non-capitalized transaction costs; and (vi) other income or loss items that are of a non-recurring nature. For certain investments in unconsolidated entities, we include the relevant components of net operating income in Adjusted Distributable Earnings. The Catch-up Amortization Adjustment is a quarterly adjustment to premium amortization or discount accretion triggered by changes in actual and projected prepayments on our Agency RMBS (accompanied by a corresponding offsetting adjustment to realized and unrealized gains and losses). The adjustment is calculated as of the beginning of each quarter based on our then-current assumptions about cash flows and prepayments, and can vary significantly from quarter to quarter. Non-capitalized transaction costs include expenses, generally professional fees, incurred in connection with the acquisition of an investment or issuance of long-term debt. We also include in Adjusted Distributable Earnings, for all loans that we originate through Longbridge, any realized and unrealized gains (losses) on such loans up to the point of loan sale or securitization, net of sale or securitization costs; and any realized and unrealized gains (losses) on HECM buyout loans and REO related to Longbridge's servicing activities.

Beginning with the three- and nine-month periods ended September 30, 2026, Adjusted Distributable Earnings is presented after incentive fee expense. Adjusted Distributable Earnings presented for prior periods have been conformed to the current-period presentation.

Adjusted Distributable Earnings is a supplemental non-GAAP financial measure. We believe that the presentation of Adjusted Distributable Earnings provides information useful to investors, because: (i) we believe that it is a useful indicator of both current and projected long-term financial performance, in that it excludes the impact of certain current-period earnings components that we believe are less useful in forecasting long-term performance and dividend-paying ability; (ii) we use it to evaluate the effective net yield provided by our investment portfolio, after the effects of financial leverage and by Longbridge, to reflect the earnings from its reverse mortgage origination and servicing operations; and (iii) we believe that presenting Adjusted Distributable Earnings assists investors in measuring and evaluating our operating performance, and comparing our operating performance to that of our residential mortgage REIT and mortgage originator peers. Please note, however, that: (I) our calculation of Adjusted Distributable Earnings may differ from the calculation of similarly titled non-GAAP financial measures by our peers, with the result that these non-GAAP financial measures might not be directly comparable; and (II) Adjusted Distributable Earnings excludes certain items that may impact the amount of cash that is actually available for distribution.

In addition, because Adjusted Distributable Earnings is an incomplete measure of our financial results and differs from net income (loss) computed in accordance with U.S. GAAP, it should be considered supplementary to, and not as a substitute for, net income (loss) computed in accordance with U.S. GAAP.

Furthermore, Adjusted Distributable Earnings is different from REIT taxable income. As a result, the determination of whether we have met the requirement to distribute at least 90% of our annual REIT taxable income (subject to certain adjustments) to our stockholders, in order to maintain our qualification as a REIT, is not based on whether we distributed 90% of our Adjusted Distributable Earnings.

In setting our dividends, our Board of Directors considers our earnings, liquidity, financial condition, REIT distribution requirements, and financial covenants, along with other factors that the Board of Directors may deem relevant from time to time.

The following tables reconcile, for the three- and nine-month periods ended September 30, 2026 and 2025 our Adjusted Distributable Earnings by segment to the line on our Consolidated Statement of Operations entitled Net Income (Loss), which we believe is the most directly comparable U.S. GAAP measure:

	Three-Month Period Ended							
	September 30, 2026				September 30, 2025			
(In thousands, except per share amounts)	Investment Portfolio	Longbridge	Corporate/Other	Total	Investment Portfolio	Longbridge	Corporate/Other	Total
Net Income (Loss)	$ 61,907	$ 12,472	$ (28,446)	$ 45,933	$ 47,697	$ 8,624	$ (18,563)	$ 37,758
Income tax expense (benefit)	—	—	1,987	1,987	—	—	1,060	1,060
Net income (loss) before income tax expense (benefit)	61,907	12,472	(26,459)	47,920	47,697	8,624	(17,503)	38,818
Adjustments:								
Realized (gains) losses, net[1]	(9,242)	—	2,234	(7,008)	12,330	—	—	12,330
Unrealized (gains) losses, net[2]	11,098	17,672	(1,527)	27,243	(194)	20,005	2,652	22,463
Unrealized (gains) losses on MSRs, net of hedge (gains) losses[3]	—	(9,609)	—	(9,609)	—	(6,831)	—	(6,831)
Negative (positive) component of interest income represented by Catch-up Amortization Adjustment	(61)	—	—	(61)	(23)	—	—	(23)
Adjustment related to consolidated proprietary reverse mortgage loan securitizations[4]	—	(13,034)	—	(13,034)	—	(6,682)	—	(6,682)
Non-capitalized transaction costs and other expense adjustments[5]	1,932	1,085	2,467	5,484	1,758	1,006	912	3,676
(Earnings) losses from investments in unconsolidated entities	(2,098)	—	—	(2,098)	(13,074)	—	—	(13,074)
Adjusted distributable earnings from investments in unconsolidated entities[6]	14,947	—	—	14,947	12,027	—	—	12,027
Total Adjusted Distributable Earnings[7]	$ 78,483	$ 8,586	$ (23,285)	$ 63,784	$ 60,521	$ 16,122	$ (13,939)	$ 62,704
Dividends on preferred stock	—	—	4,205	4,205	—	—	7,074	7,074
Adjusted Distributable Earnings attributable to non-controlling interests	861	—	730	1,591	861	—	606	1,467
Adjusted Distributable Earnings Attributable to Common Stockholders[7]	$ 77,622	$ 8,586	$ (28,220)	$ 57,988	$ 59,660	$ 16,122	$ (21,619)	$ 54,163
Adjusted Distributable Earnings Attributable to Common Stockholders, per share[7]	$ 0.60	$ 0.07	$ (0.22)	$ 0.45	$ 0.59	$ 0.16	$ (0.22)	$ 0.53

(1) Includes realized (gains) losses on securities and loans, REO, financial derivatives (excluding periodic settlements on interest rate swaps and foreign currency transactions which are components of Other Income (Loss) on the Consolidated Statement of Operations).

(2) Includes unrealized (gains) losses on securities and loans, REO, financial derivatives (excluding periodic settlements on interest rate swaps), borrowings carried at fair value, and foreign currency transactions which are components of Other Income (Loss) on the Consolidated Statement of Operations).

(3) Represents net change in fair value of the HMBS MSR and Reverse MSRs attributable to changes in market conditions and model assumptions. This adjustment also includes net (gains) losses on certain hedging instruments (including interest rate swaps, futures, and short U.S. Treasury securities), which are components of realized and/or unrealized gains (losses) on financial derivatives, net, realized and/or unrealized gains (losses) on securities and loans, net, interest income, and interest expense on the Consolidated Statement of Operations.

(4) Represents the effect of replacing mortgage loan interest income (net of securitization debt expense) with interest income of the retained tranches.

(5) For the three-month period ended September 30, 2026, includes $2.1 million of debt issuance costs related to unsecured borrowings, at fair value, $1.8 million of non-capitalized transaction costs, and $1.6 million of non-cash equity compensation and depreciation expense and various other expenses. For the three-month period ended September 30, 2025, includes $2.2 million of non-capitalized transaction costs, $1.3 million of non-cash equity compensation and depreciation expense, and $0.2 million of various other expenses.

(6) Includes the Company's proportionate share of net interest income, net loan origination income (expense), and operating expenses for certain investments in unconsolidated entities, including certain of its non-consolidated equity investments in loan originators that have been making (or are expected to make) distributions to the Company.

(7) Adjusted Distributable Earnings is calculated net of incentive fee expense, which was $0.9 million, or $0.01 per common share, for the three-month period ended September 30, 2026. The incentive fee is calculated by reference to a rolling four-quarter period and is based on Adjusted Net Income, a

measure defined in our management agreement, rather than on Adjusted Distributable Earnings, which is based only on the current period. Adjusted Net Income takes into account realized and unrealized gains and losses from our investment portfolio, any extraordinary items and certain other items, all of which are excluded from Adjusted Distributable Earnings.

	Nine-Month Period Ended							
	September 30, 2026				September 30, 2025			
(In thousands, except per share amounts)	Investment Portfolio	Longbridge	Corporate/Other	Total	Investment Portfolio	Longbridge	Corporate/Other	Total
Net Income (Loss)	$ 212,361	$ 100,198	$ (101,098)	$ 211,461	$ 162,531	$ 18,312	$ (52,688)	$ 128,155
Income tax expense (benefit)	—	—	3,005	3,005	—	—	2,439	2,439
Net income (loss) before income tax expense (benefit)	212,361	100,198	(98,093)	214,466	162,531	18,312	(50,249)	130,594
Adjustments:								
Realized (gains) losses, net[1]	(4,307)	—	2,499	(1,808)	21,878	—	1,383	23,261
Unrealized (gains) losses, net[2]	7,334	44,718	2,195	54,247	(10,537)	31,589	1,172	22,224
Unrealized (gains) losses on MSRs, net of hedge (gains) losses[3]	—	(27,404)	—	(27,404)	—	(2,482)	—	(2,482)
Negative (positive) component of interest income represented by Catch-up Amortization Adjustment	(290)	—	—	(290)	(898)	—	—	(898)
Adjustment related to consolidated proprietary reverse mortgage loan securitizations[4]	—	(40,957)	—	(40,957)	—	(16,317)	—	(16,317)
Non-capitalized transaction costs and other expense adjustments[5]	4,766	3,352	2,967	11,085	4,669	3,777	1,398	9,844
Litigation settlement income	—	(17,000)	—	(17,000)	—	—	—	—
(Earnings) losses from investments in unconsolidated entities	(30,637)	—	—	(30,637)	(38,449)	—	—	(38,449)
Adjusted distributable earnings from investments in unconsolidated entities	37,153	—	—	37,153	26,813	—	—	26,813
Total Adjusted Distributable Earnings	$ 226,380	$ 62,907	$ (90,432)	$ 198,855	$ 166,007	$ 34,879	$ (46,296)	$ 154,590
Dividends on preferred stock	—	—	14,293	14,293	—	—	21,145	21,145
Adjusted Distributable Earnings attributable to non-controlling interests	2,272	—	2,189	4,461	1,820	—	1,452	3,272
Adjusted Distributable Earnings Attributable to Common Stockholders	$ 224,108	$ 62,907	$ (106,914)	$ 180,101	$ 164,187	$ 34,879	$ (68,893)	$ 130,173
Adjusted Distributable Earnings Attributable to Common Stockholders, per share	$ 1.78	$ 0.50	$ (0.85)	$ 1.43	$ 1.70	$ 0.37	$ (0.72)	$ 1.35

(1) Includes realized (gains) losses on securities and loans, REO, financial derivatives (excluding periodic settlements on interest rate swaps and foreign currency transactions which are components of Other Income (Loss) on the Consolidated Statement of Operations).

(2) Includes unrealized (gains) losses on securities and loans, REO, financial derivatives (excluding periodic settlements on interest rate swaps), borrowings carried at fair value, and foreign currency transactions which are components of Other Income (Loss) on the Consolidated Statement of Operations.

(3) Represents net change in fair value of the HMBS MSR and Reverse MSRs attributable to changes in market conditions and model assumptions. This adjustment also includes net (gains) losses on certain hedging instruments (including interest rate swaps, futures, and short U.S. Treasury securities), which are components of realized and/or unrealized gains (losses) on financial derivatives, net, realized and/or unrealized gains (losses) on securities and loans, net, interest income, and interest expense on the Consolidated Statement of Operations.

(4) Represents the effect of replacing mortgage loan interest income (net of securitization debt expense) with interest income of the retained tranches.

(5) For the nine-month period ended September 30, 2026, includes $4.1 million of non-capitalized transaction costs, $4.5 million of non-cash equity compensation and depreciation expense, $2.1 million of debt issuance costs related to unsecured borrowings, at fair value, and $0.4 million of various other expenses. For the nine-month period ended September 30, 2025, includes $5.5 million of non-capitalized transaction costs, $3.2 million of non-cash equity compensation and depreciation expense, and $1.1 million of various other expenses.

(6) Includes the Company's proportionate share of net interest income, net loan origination income (expense), and operating expenses for certain investments in unconsolidated entities, including certain of its non-consolidated equity investments in loan originators that have been making (or are expected to make) distributions to the Company.

(7) Adjusted Distributable Earnings is calculated net of incentive fee expense, which was $21.0 million, or $0.17 per common share and $4.5 million, or $0.05 per common share, for the nine-month periods ended September 30, 2026 and 2025, respectively. The incentive fee is calculated by reference to a rolling four-quarter period and is based on Adjusted Net Income, a measure defined in our management agreement, rather than on Adjusted Distributable Earnings, which is based only on the current period. Adjusted Net Income takes into account realized and unrealized gains and losses from our investment portfolio, any extraordinary items and certain other items, all of which are excluded from Adjusted Distributable Earnings.

Liquidity and Capital Resources

Liquidity refers to our ability to generate and obtain adequate amounts of cash to meet our requirements, including repaying our borrowings, funding and maintaining positions in our assets, making distributions in the form of dividends, and other general business needs. Our short-term (the 12 months following period end) and long-term (beyond 12 months from period end) liquidity requirements include acquisition costs for assets we acquire, payment of our base management fee and incentive fee, compliance with margin requirements under our repos, reverse repos, and financial derivative contracts, repayment of repo borrowings and other secured borrowings to the extent we are unable or unwilling to extend such borrowings, payment of our general operating expenses, payment of interest payments on our unsecured borrowings, and payment of our dividends. Our capital resources primarily include cash on hand, cash flow from our investments (including principal and interest payments received on our investments and proceeds from the sale of investments), borrowings under repos and other secured borrowings, and proceeds from equity and debt offerings. We expect that these sources of funds will be sufficient to meet our short-term and long-term liquidity needs.

We held cash and cash equivalents of approximately $269.5 million and $201.9 million as of September 30, 2026 and December 31, 2025, respectively.

The following summarizes our borrowings under repos by remaining maturity:

(In thousands)	September 30, 2026		December 31, 2025	
Remaining Days to Maturity	**Outstanding Borrowings**	**% of Total**	**Outstanding Borrowings**	**% of Total**
30 Days or Less	$ 203,978	5.7 %	$ 267,237	10.1 %
31 - 60 Days	812,082	22.8 %	406,647	15.3 %
61 - 90 Days	382,246	10.7 %	210,885	7.9 %
91 - 120 Days	297,219	8.3 %	361,230	13.6 %
121 - 150 Days	382,439	10.7 %	—	— %
151 - 180 Days	17,952	0.5 %	13,143	0.5 %
181 - 364 Days	269,648	7.6 %	217,900	8.2 %
> 364 Days	1,204,950	33.7 %	1,178,402	44.4 %
	$ 3,570,514	100.0 %	$ 2,655,444	100.0 %

Repos involving underlying investments that were sold prior to period end for settlement following period end, are shown using their contractual maturity dates even though such repos may be expected to be terminated early upon settlement of the sale of the underlying investment.

The amounts borrowed under our repo agreements are generally subject to the application of "haircuts." A haircut is the percentage discount that a repo lender applies to the market value of an asset serving as collateral for a repo borrowing, for the purpose of determining whether such repo borrowing is adequately collateralized. As of September 30, 2026 and December 31, 2025, the overall weighted average contractual haircut applicable to the assets that serve as collateral for our outstanding repo borrowings was 18.2% and 19.3%, respectively.

We expect to continue to borrow funds in the form of repos as well as other similar types of financings. The terms of our repo borrowings are predominantly governed by master repurchase agreements, which generally conform to the terms in the standard master repurchase agreement as published by the Securities Industry and Financial Markets Association as to repayment and margin requirements. In addition, each lender may require that we include supplemental terms and conditions to the standard master repurchase agreement. Typical supplemental terms and conditions include the addition of or changes to provisions relating to margin calls, net asset value requirements, cross default provisions, certain key person events, changes in corporate structure, and requirements that all controversies related to the repurchase agreement be litigated in a particular jurisdiction. These provisions may differ for each of our repo lenders.

As of September 30, 2026 and December 31, 2025, we had $3.6 billion and $2.7 billion, respectively, of borrowings outstanding under our repos. As of September 30, 2026, the remaining terms on our repos ranged from 1 day to 729 days, with a weighted average remaining term of 261 days. Our repo borrowings were with a total of 22 counterparties as of September 30, 2026. As of September 30, 2026, our repos had interest rates ranging from 3.41% to 7.30%, with a weighted average borrowing

rate of 5.48%. As of December 31, 2025, the remaining terms on our repos ranged from 2 days to 636 days, with a weighted average remaining term of 278 days. Our repo borrowings were with a total of 21 counterparties as of December 31, 2025. As of December 31, 2025, our repos had interest rates ranging from 2.79% to 7.05%, with a weighted average borrowing rate of 5.31%. Investments transferred as collateral under repos had an aggregate fair value of $4.3 billion and $3.3 billion as of September 30, 2026 and December 31, 2025, respectively. It is expected that amounts due upon maturity of our repos will be funded primarily through the roll/re-initiation of repos and, if we are unable or unwilling to roll/re-initiate our repos, through free cash and proceeds from the sale or securitization of assets being financed.

The following table details total outstanding borrowings, average outstanding borrowings, and the maximum outstanding borrowings at any month end for each quarter under repos for the past twelve quarters:

Quarter Ended	Borrowings Outstanding at Quarter End	Average Borrowings Outstanding	Maximum Borrowings Outstanding at Any Month End
		(In thousands)	
September 30, 2026	$ 3,570,514	$ 3,173,251	$ 3,570,514
June 30, 2026	3,064,277	3,215,187	3,213,469
March 31, 2026	2,894,972	2,566,677	2,895,102
December 31, 2025	2,655,444	2,646,700	2,891,714
September 30, 2025	2,800,964	2,536,033	2,800,964
June 30, 2025	2,347,458	2,511,780	2,659,554
March 31, 2025	2,568,627	2,623,924	2,675,171
December 31, 2024	2,584,040	2,610,301	2,779,028
September 30, 2024	2,642,052	2,450,025	2,642,052
June 30, 2024	2,301,976	2,289,971	2,371,482
March 31, 2024	2,517,747	2,550,390	2,648,371
December 31, 2023	2,967,437	2,640,625	2,967,437

In addition to our borrowings under repos, we have entered into various other types of transactions to finance certain of our investments, including residential and commercial mortgage loans and REO, consumer loans and ABS backed by consumer loans, reverse mortgage loans, and Reverse MSRs; such transactions are accounted for as secured borrowings. As of September 30, 2026 and December 31, 2025, we had outstanding borrowings related to such transactions in the amount of $3.5 billion and $3.2 billion, respectively, which is reflected under the captions "Other secured borrowings" and "Other secured borrowings, at fair value" on the Consolidated Balance Sheet. As of September 30, 2026 and December 31, 2025, the fair value of assets collateralizing our Total other secured borrowings was $3.8 billion and $3.5 billion, respectively. Additionally, as of September 30, 2026, as an HMBS issuer, we had HMBS-related obligations of $11.3 billion collateralized by $11.4 billion of HMBS assets and as of December 31, 2025, we had HMBS-related obligations of $10.4 billion collateralized by $10.5 billion of HMBS assets; HMBS assets include HECM loans as well as REO and claims and other receivables. See Note 14 in the notes to our consolidated financial statements for further information on our other secured borrowings and HMBS-related obligations.

As of September 30, 2026 we had $775.0 million of outstanding unsecured borrowings comprised of $550.0 million of 7.375% Senior Notes due September 2030, $210.0 million of 5.875% Senior Notes due April 2027, and $15.0 million of unregistered junior subordinated unsecured debt securities, the "Trust Preferred Debt." The Trust Preferred Debt includes $10.0 million which accrues and requires the payment of interest quarterly at three-month term SOFR plus 3.26% and which matures on October 7, 2033, and $5.0 million which accrues and requires the payment of interest quarterly at three-month term SOFR plus 2.51% and which matures on July 7, 2035. As of December 31, 2025, we had $662.8 million of outstanding unsecured borrowings comprised of $400.0 million of 7.375% Senior Notes due September 2030, $210.0 million of 5.875% Senior Notes due April 2027, $37.8 million of 6.00% Senior Notes due August 2026, and $15.0 million of Trust Preferred Debt, including $10.0 million which accrues and requires the payment of interest quarterly at three-month term SOFR plus 3.26% and which matures on October 7, 2033, and $5.0 million which accrues and requires the payment of interest quarterly at three-month term SOFR plus 2.51% and which matures on July 7, 2035.

As of September 30, 2026, we had an aggregate amount at risk under our repos with 21 counterparties of approximately $747.1 million, and as of December 31, 2025, we had an aggregate amount at risk under our repos with 21 counterparties of approximately $616.5 million. Amounts at risk represent the excess, if any, for each counterparty of the fair value of collateral held by such counterparty over the amounts outstanding under repos. If the amounts outstanding under repos with a particular counterparty are greater than the collateral held by the counterparty, there is no amount at risk for the particular counterparty. Amount at risk as of September 30, 2026 and December 31, 2025, does not include approximately $5.2 million and $0.4 million, respectively, of net accrued interest receivable (payable), which is defined as accrued interest on securities held as collateral less interest payable on cash borrowed.

Our derivatives are predominantly subject to bilateral master trade agreements or clearing in accordance with the Dodd-Frank Act. We may be required to deliver or receive cash or securities as collateral upon entering into derivative transactions. Changes in the relative value of derivative transactions may require us or the counterparty to post or receive additional collateral. Entering into derivative contracts involves market risk in excess of amounts recorded on our balance sheet. In the case of cleared derivatives, the clearinghouse becomes our counterparty and the futures commission merchant acts as an intermediary between us and the clearinghouse with respect to all facets of the related transaction, including the posting and receipt of required collateral.

As of September 30, 2026, we had an aggregate amount at risk under our derivative contracts, excluding TBAs, with eight counterparties of approximately $33.4 million. We also had $67.0 million of initial margin for cleared over-the-counter ("OTC") derivatives posted to central clearinghouses as of that date. As of December 31, 2025, we had an aggregate amount at risk under our derivatives contracts, excluding TBAs, with seven counterparties of approximately $21.8 million. We also had $47.6 million of initial margin for cleared OTC derivatives posted to central clearinghouses as of that date. Amounts at risk under our derivatives contracts represent the excess, if any, for each counterparty of the fair value of our derivative contracts plus our collateral held directly by the counterparty less the counterparty's collateral held by us. If a particular counterparty's collateral held by us is greater than the aggregate fair value of the financial derivatives plus our collateral held directly by the counterparty, there is no amount at risk for the particular counterparty.

We purchase and sell TBAs and Agency pass-through certificates on a when-issued or delayed delivery basis. The delayed delivery for these securities means that these transactions are more prone to market fluctuations between the trade date and the ultimate settlement date, and therefore are more vulnerable, especially in the absence of margining arrangements with respect to these transactions, to increasing amounts at risk with the applicable counterparties. As of September 30, 2026, in connection with our forward settling TBA and Agency pass-through certificates, we had an aggregate amount at risk with four counterparties of approximately $1.2 million. As of December 31, 2025, in connection with our forward settling TBA and Agency pass-through certificates, we had an aggregate amount at risk with four counterparties of approximately $1.4 million. Amounts at risk in connection with our forward settling TBA and Agency pass-through certificates represent the excess, if any, for each counterparty of the net fair value of the forward settling transactions plus our collateral held directly by the counterparty less the counterparty's collateral held by us. If a particular counterparty's collateral held by us is greater than the aggregate fair value of the forward settling transactions plus our collateral held directly by the counterparty, there is no amount at risk for the particular counterparty.

We have an "at-the-market" offering program for shares of our common stock (the "Common ATM Program") in connection with which we have entered into equity distribution agreements with sales agents. Under the current Common ATM Program we are authorized to offer and sell up to $500.0 million of common stock from time to time. During the three-month period ended September 30, 2026, the Company issued 2,496,140 shares of common stock under the Common ATM Program which provided $33.7 million of net proceeds after $0.2 million of agent commissions and $0.1 million of offering costs. During the three-month period ended September 30, 2025, we issued 8,156,876 shares of common stock under the Common ATM Program which provided $110.0 million of net proceeds after $0.8 million of agent commissions and $0.1 million of offering costs. During the nine-month period ended September 30, 2026, we issued 8,013,661 shares of common stock under the Common ATM Program which provided $108.4 million of net proceeds after $0.7 million of agent commissions and $0.2 million of offering costs. During the nine-month period ended September 30, 2025, we issued 15,335,664 shares of common stock under the Common ATM Program which provided $205.4 million of net proceeds after $1.4 million of agent commissions and $0.3 million of offering costs. Under the current Common ATM Program we had a remaining authorization to issue $386.0 million of common shares as of September 30, 2026.

On November 2, 2026, the Company issued 7,074 common shares to the Manager in connection with the payment of incentive fees incurred for the three-month period ended September 30, 2026.

On January 28, 2026, we completed a follow-on offering of 8,775,000 shares of our common stock. The issuance and sale of such shares of common stock generated net proceeds of $117.2 million, after $0.9 million of underwriters' discounts and commissions and $0.3 million of offering costs.

On February 27, 2026, we redeemed all 4,600,000 outstanding shares of Series A Preferred Stock for $115.8 million, based on the liquidation preference of $25.00 per share, plus accrued and unpaid dividends.

We also have an "at-the-market" offering for our Series B Preferred Stock (the "Preferred ATM Program"), in connection with which we have entered into equity distribution agreements with third party sales agents under which we are authorized to offer and sell up to $100.0 million of 6.250% Series B Fixed-Rate Reset Cumulative Redeemable Preferred Stock, $0.001 par value per share ("Series B Preferred Stock") from time to time. As of September 30, 2026, we had remaining authorization under the Preferred ATM Program to issue $99.5 million of preferred stock. We did not issue any preferred stock under the Preferred ATM Program during the three- or nine-month periods ended September 30, 2026 and 2025.

Our Board of Directors approved the adoption of a share repurchase program under which we are authorized to repurchase up to $50 million of common stock (the "Common Share Repurchase Program"). The Common Share Repurchase Program is open-ended in duration and allows us to make repurchases from time to time on the open market or in negotiated transactions, including under 10b5-1 plans. Repurchases are at our discretion, subject to applicable law, share availability, price and our financial performance, among other considerations. In addition to making discretionary repurchases, we from time to time use 10b5-1 plans to increase the number of trading days available to implement these repurchases. We did not repurchase any common shares during the three-month periods ended September 30, 2026 and 2025. As of September 30, 2026, we have authorization to repurchase an additional $45.1 million of common stock under the Common Share Repurchase Program. Subsequent to September 30, 2026, we repurchased 329,045 shares of common stock at an average price per share of $11.46 and a total cost including commissions of $3.8 million.

With approval of our Board of Directors, we have a share repurchase program under which we are authorized to repurchase up to $30.0 million of Series B Preferred Stock (the "Preferred Share Repurchase Program"). The Preferred Share Repurchase Program, which is open-ended in duration, allows us to make repurchases from time to time on the open market or in negotiated transactions, including under 10b5-1 plans. Repurchases are at our discretion, subject to applicable law, share availability, price and our financial performance, among other considerations. We have not yet repurchased any shares of preferred stock under the Preferred Share Repurchase Program.

We may declare dividends based on, among other things, our earnings, our financial condition, the REIT qualification requirements of the Internal Revenue Code of 1986, as amended, our working capital needs and new opportunities. The declaration of dividends to our stockholders and the amount of such dividends are at the discretion of our Board of Directors.

The following table sets forth the dividend distributions authorized by the Board of Directors payable to common stockholders and holders of Convertible Non-controlling Interest Units (as defined in Note 2 of the consolidated financial statements) for the nine-month periods ended September 30, 2026 and 2025:

Declaration Date	Dividend Per Share	Dividend Amount	Record Date	Payment Date
		(In thousands)		
2026:				
September 8, 2026	$ 0.13	$ 17,129	September 30, 2026	October 30, 2026
August 10, 2026	0.13	17,124	August 31, 2026	September 30, 2026
July 8, 2026	0.13	16,966	July 31, 2026	August 31, 2026
June 8, 2026	0.13	16,798	June 30, 2026	July 31, 2026
May 7, 2026	0.13	16,645	May 29, 2026	June 30, 2026
April 7, 2026	0.13	16,415	April 30, 2026	May 29, 2026
March 9, 2026	0.13	16,415	March 31, 2026	April 30, 2026
February 9, 2026	0.13	16,361	February 27, 2026	March 31, 2026
January 8, 2026	0.13	16,361	January 30, 2026	February 27, 2026
2025:				
September 8, 2025	0.13	13,938	September 30, 2025	October 31, 2025
August 7, 2025	0.13	13,553	August 29, 2025	September 30, 2025
July 8, 2025	0.13	13,134	July 31, 2025	August 29, 2025
June 9, 2025	0.13	12,873	June 30, 2025	July 31, 2025
May 7, 2025	0.13	12,789	May 30, 2025	June 30, 2025
April 3, 2025	0.13	12,434	April 30, 2025	May 27, 2025
March 7, 2025	0.13	12,424	March 31, 2025	April 25, 2025
February 10, 2025	0.13	11,904	February 28, 2025	March 25, 2025
January 8, 2025	0.13	11,904	January 31, 2025	February 25, 2025

On October 7, 2026, the Board of Directors approved a dividend in the amount of $0.13 per share of common stock payable on November 30, 2026 to stockholders of record as of October 30, 2026.

On November 5, 2026, the Board of Directors approved a dividend in the amount of $0.13 per share of common stock payable on December 31, 2026 to stockholders of record as of November 30, 2026.

The following table sets forth the dividend distributions authorized by the Board of Directors during the nine-month periods ended September 30, 2026 and 2025 to holders of our preferred stock:

Declaration Date	Dividend Per Share	Dividend Amount	Record Date	Payment Date
		(In thousands)		
Series A Preferred Stock:				
January 28, 2026	$ 0.3646300	$ 1,678	February 27, 2026	February 27, 2026
September 8, 2025	0.6240390	2,869	September 30, 2025	October 30, 2025
June 9, 2025	0.6153410	2,831	June 30, 2025	July 30, 2025
March 7, 2025	0.6090310	2,830	March 31, 2025	April 30, 2025
Series B Preferred Stock:				
September 8, 2026	0.3906250	1,883	September 30, 2026	October 30, 2026
June 8, 2026	0.3906250	1,883	June 30, 2026	July 30, 2026
March 9, 2026	0.3906250	1,883	March 31, 2026	April 30, 2026
September 8, 2025	0.3906250	1,883	September 30, 2025	October 30, 2025
June 9, 2025	0.3906250	1,883	June 30, 2025	July 30, 2025
March 7, 2025	0.3906250	1,883	March 31, 2025	April 30, 2025
Series C Preferred Stock:				
September 8, 2026	0.5390625	2,156	September 30, 2026	October 30, 2026
June 8, 2026	0.5390625	2,156	June 30, 2026	July 30, 2026
March 9, 2026	0.5390625	2,156	March 31, 2026	April 30, 2026
September 8, 2025	0.5390625	2,156	September 30, 2025	October 30, 2025
June 9, 2025	0.5390625	2,156	June 30, 2025	July 30, 2025
March 7, 2025	0.5390625	2,156	March 31, 2025	April 30, 2025
Series D Preferred Stock:				
September 8, 2026	0.4375000	166	September 18, 2026	September 30, 2026
June 8, 2026	0.4375000	166	June 20, 2026	June 30, 2026
March 9, 2026	0.4375000	166	March 20, 2026	March 30, 2026
September 8, 2025	0.4375000	166	September 20, 2025	September 30, 2025
June 9, 2025	0.4375000	166	June 20, 2025	June 30, 2025
March 7, 2025	0.4375000	166	March 20, 2025	March 30, 2025

At those times when cash flows from our operating activities are insufficient to fund our dividend payments, we fund such dividend payments through cash flows from our investing and/or financing activities, and in some cases from additional cash on hand. The following paragraphs summarize our cash flows for the nine-month periods ended September 30, 2026 and 2025.

For the nine-month period ended September 30, 2026, our operating activities used net cash in the amount of $12.4 million and our investing activities used net cash in the amount of $6.02 billion. Our repo activity used to finance many of our investments (including repayments of amounts borrowed under our repos) provided net cash of $5.37 billion. We received $2.1 billion in proceeds from the issuance of Total other secured borrowings, and we used $2.0 billion for principal payments on our Total other secured borrowings. Thus our operating and investing activities, when combined with our repo financings and Other secured borrowings (net of repayments), used net cash of $584.5 million during the nine-month period ended September 30, 2026. We received proceeds from the issuance of HMBS-related obligations of $1.3 billion and used $798.2 million for principal payments on HMBS-related obligations. We used $115.0 million to redeem the Series A Preferred Stock and $37.8 million to redeem the 6.00% Senior Notes. We received proceeds from the issuance of common stock, net of underwriters' discounts, commissions, and offering costs paid of $225.5 million, $146.4 million from the follow-on issuance of 7.375% Senior Notes, and contributions from non-controlling interests of $23.0 million. We used $164.1 million to pay dividends and $26.6 million for distributions to non-controlling interests (our joint venture partners). As a result, there was a decrease in our cash holdings of $35.5 million, from $338.2 million as of December 31, 2025 to $302.7 million as of September 30, 2026.

For the nine-month period ended September 30, 2025, our operating activities used net cash in the amount of $627.3 million and our investing activities used net cash in the amount of $2.15 billion. Our repo activity used to finance many of our investments (including repayments of amounts borrowed under our repos) provided net cash of $2.15 billion. We received $1.81 billion in proceeds from the issuance of Total other secured borrowings, and we used $1.74 billion for principal payments

on our Total other secured borrowings. Thus our operating and investing activities, when combined with our repo financings and Other secured borrowings (net of repayments), used net cash of $558.2 million during the nine-month period ended September 30, 2025. We received proceeds from the issuance of HMBS-related obligations of $1.14 billion and used $627.9 million for principal payments on HMBS-related obligations. We used $34.9 million to repay the 6.75% senior notes. We received proceeds from the issuance of common stock, net of underwriters' discounts, commissions, and offering costs paid, of $205.6 million and contributions from non-controlling interests of $22.5 million. We used $134.1 million to pay dividends and $18.2 million for distributions to non-controlling interests (our joint venture partners). As a result there was a decrease in our cash holdings of $3.4 million, from $208.9 million as of December 31, 2024 to $205.6 million as of September 30, 2025.

Based on our current portfolio, amount of free cash on hand, debt-to-equity ratio, and current and anticipated availability of credit, we believe that our capital resources will be sufficient to enable us to meet anticipated short-term and long-term liquidity requirements. However, the unexpected inability to finance our Agency RMBS portfolio would create a serious short-term strain on our liquidity and would require us to liquidate much of that portfolio, which in turn would require us to restructure our portfolio to maintain our exclusion from registration as an investment company under the Investment Company Act and to maintain our qualification as a REIT. Steep declines in the values of our assets financed using repos, or in the values of our derivative contracts, would result in margin calls that would significantly reduce our free cash position. Furthermore, a substantial increase in prepayment rates on our assets financed by repos could cause a temporary liquidity shortfall, because we are generally required to post margin on such assets in proportion to the amount of the announced principal paydowns before the actual receipt of the cash from such principal paydowns. If our cash resources are at any time insufficient to satisfy our liquidity requirements, we may have to sell assets or issue additional debt or equity securities.

Although we may from time to time enter into financing arrangements that limit our leverage, our investment guidelines do not limit the amount of leverage that we may use, and we believe that the appropriate leverage for the particular assets we hold depends on the credit quality and risk of those assets, as well as the general availability and terms of stable and reliable financing for those assets.

Contractual Obligations and Commitments

We are a party to a management agreement with our Manager. Pursuant to that agreement, our Manager is entitled to receive a base management fee, an incentive fee, reimbursement of certain expenses and, in certain circumstances, a termination fee. Such fees and expenses do not have fixed and determinable payments. For a description of the management agreement provisions, see Note 16 to our consolidated financial statements.

We have numerous contractual obligations and commitments related to our outstanding borrowings (see Note 14 of the notes to our consolidated financial statements) and related to our financial derivatives (see Note 10 of the notes to our consolidated financial statements).

See Note 24 of the notes to our consolidated financial statements for further detail on our other contractual obligations and commitments.

Off-Balance Sheet Arrangements

As of September 30, 2026, we did not have any material relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities, which would have been established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. Further, we have not guaranteed any obligations of unconsolidated entities, nor do we have any commitment to provide funding to any such entities, that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or resources that would be material to an investor in our securities. As such, we are not materially exposed to any market, credit, liquidity, or financing risk that could arise if we had engaged in such relationships.

In their role as loan servicers, Longbridge and Statebridge have fiduciary responsibilities related to escrow balances held in trust for borrowers' draws and other custodial funds due to servicing customers; as of September 30, 2026 the amount held in such accounts was $109.2 million. These funds, which do not represent assets or liabilities of ours, are maintained in segregated accounts at Longbridge or Statebridge, and accordingly, are not reflected on the Consolidated Balance Sheet.

At September 30, 2026, we have not entered into any repurchase agreements for which delivery of the borrowed funds is not scheduled until after period end.

Inflation

Virtually all of our assets and liabilities are interest rate sensitive in nature. As a result, interest rates and other factors

generally influence our performance more than does inflation, although inflation rates often have a meaningful influence over the direction of interest rates, including influencing the Federal Reserve's monetary policy. In any event, our activities and balance sheet are measured with reference to historical cost and/or fair market value without considering inflation.

In addition, elevated, long-term inflation could adversely impact the performance of our investment portfolio, or the prices of our investments, or both. For example, if higher inflation is not matched by an increase in wages, inflation could cause the real income of the borrowers on our residential and consumer loans to decline. In addition, in the case of borrowers on our commercial mortgage loans, net cash flow could decline if rents and/or expense reimbursements do not increase in kind with higher inflation.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

The primary components of our market risk at September 30, 2026 are related to credit risk, prepayment risk, and interest rate risk. We seek to actively manage these and other risks and to acquire and hold assets that we believe justify bearing those risks, and to maintain capital levels consistent with those risks.

Credit Risk

We are subject to credit risk in connection with many of our assets, especially non-Agency RMBS, CMBS, residential and commercial mortgage loans, proprietary reverse mortgage loans, corporate debt investments including CLOs and investments in securitization warehouses, and consumer loans.

Credit losses on real estate loans can occur for many reasons, including, but not limited to, poor origination practices, fraud, faulty appraisals, documentation errors, poor underwriting, legal errors, poor servicing practices, weak economic conditions, decline in the value of homes, businesses or commercial properties, special hazards, earthquakes and other natural events, such as the COVID-19 pandemic, or an outbreak of another highly infectious or contagious disease, over-leveraging of the borrower on a property, reduction in market rents and occupancy rates and poor property management services, changes in legal protections for lenders, reduction in personal income, job loss, and personal events such as divorce or health problems. Property values are subject to volatility and may be affected adversely by a number of factors, including, but not limited to, national, regional, and local economic conditions (which may be adversely affected by industry slowdowns and other factors), local real estate conditions (such as an oversupply of housing), changes or continued weakness in specific industry segments, construction quality, age and design, demographic factors, and retroactive changes to building or similar codes.

The ability of borrowers to repay consumer loans may be adversely affected by numerous borrower-specific factors, including unemployment, divorce, major medical expenses or personal bankruptcy. General factors, including an economic downturn, high energy costs or acts of God or terrorism, pandemics such as the COVID-19 pandemic or another highly infectious or contagious disease, may also affect the financial stability of borrowers and impair their ability or willingness to repay their loans. Whenever any of our consumer loans defaults, we are at risk of loss to the extent of any deficiency between the liquidation value of the collateral, if any, securing the loan, and the principal and accrued interest of the loan. Many of our consumer loans are unsecured, or are secured by collateral (such as an automobile) that depreciates rapidly; as a result, these loans may be at greater risk of loss than residential real estate loans.

Our corporate investments, especially our lower-rated or unrated CLO investments, corporate equity, and our investments in loan originators, have significant risk of loss, and our efforts to protect these investments may involve substantial costs and may not be successful. We also will be subject to significant uncertainty as to when and in what manner and for what value the corporate debt in which we directly or indirectly invest will eventually be satisfied (e.g., through liquidation of the obligor's assets, an exchange offer or plan of reorganization involving the debt securities or a payment of some amount in satisfaction of the obligation). In addition, these investments could involve loans to companies that are more likely to experience bankruptcy or similar financial distress, such as companies that are thinly capitalized, employ a high degree of financial leverage, are in highly competitive or risky businesses, are in a start-up phase, or are experiencing losses.

Similarly, we are exposed to the risk of potential credit losses on the other assets in our investment portfolio. For many of our investments, the two primary components of credit risk are default risk and severity risk.

Default Risk

Default risk is the risk that a borrower fails to make scheduled principal and interest payments on a mortgage loan or other debt obligation. We may attempt to mitigate our default risk by, among other things, opportunistically entering into credit default swaps and total return swaps. These instruments can reference various MBS indices, corporate bond indices, or corporate entities. We often rely on third-party servicers to mitigate our default risk, but such third-party servicers may have little or no economic incentive to mitigate loan default rates.

Severity Risk

Severity risk is the risk of loss upon a borrower default on a mortgage loan or other secured or unsecured debt obligation, or upon another repayment event in the case of a reverse mortgage loan. Severity risk includes the risk of loss of value of the property or other asset, if any, securing the mortgage loan or debt obligation, as well as the risk of loss associated with taking over the property or other asset, if any, including foreclosure costs. We often rely on third-party servicers to mitigate our severity risk, but such third-party servicers may have little or no economic incentive to mitigate loan loss severities. In the case of mortgage loans, such mitigation efforts may include loan modification programs and prompt foreclosure and property liquidation following a default.

Reverse mortgage loans bear additional risks of loss even absent declines in underlying property values. Borrowers on these loans generally are not required to make monthly principal or interest payments; instead, interest and applicable fees accrue and are added to the loan balance. As a result, the balance grows over the life of the loan while the value of the property may not keep pace. For floating-rate reverse mortgage loans, higher interest rates can accelerate the growth in loan balance. The risk that the outstanding loan balance exceeds the property's value at maturity or default, and the potential severity of losses, can increase the longer the loan remains outstanding, particularly if home prices decline or appreciate more slowly than expected. In addition, reverse mortgage borrowers may have limited financial resources for property upkeep, which can result in property deterioration and lower recovery values.

FHA insurance may reduce some of these losses on HECMs; however, insurance recoveries are subject to compliance with applicable servicing, foreclosure and conveyance timelines and documentation requirements. If these requirements are not met, FHA may curtail interest and expense reimbursements, or deny a claim in whole or in part. As an HMBS issuer, Longbridge is required to repurchase HECM loans from HMBS pools when the outstanding principal balance of a loan reaches 98% of its maximum claim amount ("MCA"). These repurchases can require significant liquidity and expose us to financing costs and losses not covered by FHA insurance. Assignment to HUD is subject to eligibility requirements, and delays in assignment or liquidation may increase these costs and losses. Proprietary reverse mortgage loans are not FHA-insured and therefore do not benefit from this protection.

Many of our consumer loans are unsecured, or are secured by collateral (such as an automobile) that depreciates rapidly; as a result, these loans may be at greater risk of loss than residential real estate loans. Pursuing any remaining deficiency following a default on a consumer loan is often difficult or impractical, especially when the borrower has a low credit score, making further substantial collection efforts unwarranted. In addition, repossessing personal property securing a consumer loan can present additional challenges, including locating and taking physical possession of the collateral. We rely on servicers who service these consumer loans to, among other things, collect principal and interest payments on the loans and perform loss mitigation services, and these servicers may not perform in a manner that promotes our interests.

In the case of corporate debt, if a company declares bankruptcy, the bankruptcy process has a number of significant inherent risks. Many events in a bankruptcy proceeding are the product of contested matters and adversarial proceedings and are beyond the control of the creditors. A bankruptcy filing by a company whose debt we have purchased may adversely and permanently affect such company. If the proceeding results in liquidation, the liquidation value of the company may have deteriorated significantly from what we believed to be the case at the time of our initial investment. The duration of a bankruptcy proceeding is also difficult to predict, and our return on investment can be adversely affected by delays until a plan of reorganization or liquidation ultimately becomes effective. A bankruptcy court may also re-characterize our debt investment as equity, and subordinate all or a portion of our claim to that of other creditors. This could occur even if our investment had initially been structured as senior debt.

Prepayment Risk

Prepayment risk is the risk of change, whether an increase or a decrease, in the rate at which principal is returned in respect of fixed-income assets in our portfolio, including both through voluntary prepayments and through liquidations due to defaults and foreclosures. Most significantly, our portfolio is exposed to the risk of changes in prepayment rates of mortgage loans, including the mortgage loans underlying our RMBS, Reverse MSRs and Forward MSR-related investments; and changes in prepayment rates of certain of our consumer loan, residential mortgage loan, and CLO holdings. This rate of prepayment is affected by a variety of factors, including the prevailing level of interest rates as well as economic, demographic, tax, social, legal, and other factors. Mortgage prepayment rates can be highly sensitive to changes in interest rates, but they are also affected by housing turnover, which can be driven by factors other than interest rates, including worker mobility and home price appreciation. Changes in prepayment rates will have varying effects on the different types of securities in our portfolio, and we attempt to take these effects into account in making asset management decisions. Increases in prepayment rates may cause us to experience both realized and unrealized losses on our interest only securities and inverse interest only securities, as these securities are extremely sensitive to prepayment rates. Conversely, decreases in prepayment rates on our loans and securities with below-market interest rates may cause the duration of such investments to extend, which may cause us to

experience unrealized losses on such investments. Prepayment rates, besides being subject to interest rates and borrower behavior, are also substantially affected by government policy and regulation. For example, prepayment rates are generally lower in states with substantially higher mortgage recording taxes.

Interest Rate Risk

Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, inflation, domestic and international economic and political considerations, and other factors beyond our control. We are subject to interest rate risk in connection with most of our assets and liabilities. For some securities in our portfolio, the coupon interest rates on, and therefore also the values of, such securities are highly sensitive to interest rate movements, such as inverse floating rate RMBS, which benefit from falling interest rates. Whenever one of our repo borrowings matures, it will generally be replaced with a new repo borrowing based on market interest rates prevailing at such time. Subject to maintaining our qualification as a REIT and our exclusion from registration under the Investment Company Act, we opportunistically hedge our interest rate risk by entering into interest rate swaps, TBAs, U.S. Treasury securities, U.S. Treasury futures, and other instruments. In general, such hedging instruments are used to mitigate the interest rate risk arising from the mismatch between the duration of our financed assets and the duration of the liabilities used to finance such assets.

The following sensitivity analysis table shows the estimated impact on the value of our portfolio segregated by certain identified categories as of September 30, 2026, assuming a static portfolio and immediate and parallel shifts in interest rates from current levels as indicated below.

(In thousands)	**Estimated Change for a Decrease in Interest Rates by**				**Estimated Change for an Increase in Interest Rates by**			
	50 Basis Points		**100 Basis Points**		**50 Basis Points**		**100 Basis Points**	
Category of Instruments	**Market Value**	**% of Total Equity**	**Market Value**	**% of Total Equity**	**Market Value**	**% of Total Equity**	**Market Value**	**% of Total Equity**
Agency RMBS	$ 4,390	0.22 %	$ 8,433	0.42 %	$ (4,737)	(0.23)%	$ (9,820)	(0.48)%
Long TBAs	8,326	0.41 %	16,108	0.79 %	(8,869)	(0.44)%	(18,281)	(0.90)%
Short TBAs	(17,973)	(0.89)%	(34,933)	(1.72)%	18,986	0.93 %	38,982	1.92 %
Non-Agency RMBS, CMBS, ABS, Loans, and MSRs	60,811	2.99 %	115,074	5.66 %	(67,364)	(3.31)%	(141,275)	(6.95)%
U.S. Treasury Securities and Interest Rate Swaps, Options, and Futures	(48,126)	(2.37)%	(98,051)	(4.82)%	46,327	2.28 %	90,855	4.47 %
Corporate Securities and Other	191	0.01 %	441	0.02 %	(131)	(0.01)%	(203)	(0.01)%
Repurchase Agreements, Reverse Repurchase Agreements, and Unsecured Borrowings	(9,423)	(0.46)%	(18,745)	(0.92)%	9,525	0.47 %	19,152	0.94 %
Total	$ (1,804)	(0.09)%	$ (11,673)	(0.57)%	$ (6,263)	(0.31)%	$ (20,590)	(1.01)%

The preceding analysis does not show sensitivity to changes in interest rates for instruments for which we believe that the effect of a change in interest rates is not material to the value of the overall portfolio and/or cannot be accurately estimated. In particular, this analysis excludes certain of our holdings of corporate securities and derivatives on corporate securities, and reflects only sensitivity to U.S. interest rates.

Our analysis of interest rate risk is derived from Ellington's proprietary models as well as third-party information and analytics. Many assumptions have been made in connection with the calculations set forth in the table above and, as such, there can be no assurance that assumed events will occur or that other events will not occur that would affect the outcomes. For example, for each hypothetical immediate shift in interest rates, assumptions have been made as to many important factors that can significantly and/or adversely affect the fair value of the instruments in our portfolio, including the response of mortgage prepayment rates, the shape of the yield curve, and market volatilities of interest rates. Furthermore, the fair value of each of the instruments comprising our portfolio is impacted by many other factors, each of which may or may not be correlated, or may only be loosely correlated, with interest rates. Depending on the nature of the instrument, these additional factors may include credit spreads, yield spreads, option-adjusted spreads, real estate prices, collateral adequacy, borrower creditworthiness, inflation, unemployment, general macroeconomic conditions, and other factors. For each instrument, our analysis makes many simplifying assumptions as to the response of these additional factors to shifts in interest rates, including that many if not most such factors are unaffected by such shifts.

The above analysis utilizes assumptions and estimates based on management's judgment and experience, and relies on financial models, which are inherently imperfect; in fact, different models can produce different results for the same

instruments. While the table above reflects the estimated impacts of immediate parallel interest rate increases and decreases on specific categories of instruments in our portfolio, we actively trade many of the instruments in our portfolio, and therefore our current or future portfolios may have risks that differ significantly from those of our September 30, 2026 portfolio estimated above. Moreover, the impact of changing interest rates on fair value can change significantly when interest rates change by a greater amount than the hypothetical shifts assumed above.

For all of the foregoing reasons and others, the table above is for illustrative purposes only and actual changes in interest rates would likely cause changes in the actual fair value of our portfolio that would differ from those presented above, and such differences might be significant and/or adverse. See "Management's Discussion and Analysis of Financial Condition and Results of Operations—Special Note Regarding Forward-Looking Statements."

Liquidity Risk

To fund our assets we may use a variety of debt alternatives in addition to equity capital that present us with liquidity risks. Certain of our assets are long-term fixed-rate assets, and we believe that liquidity risk arises from these assets with shorter-term variable rate borrowings. We seek to manage these risks, including by maintaining a prudent level of leverage, implementing interest rate hedges, maintaining sources of long-term financing, monitoring our liquidity position on a daily basis, monitoring the ongoing financial stability and future business plans of our financing counterparties, and maintaining a reasonable cushion of cash and unpledged real estate securities and loans in our portfolio in order to meet future margin calls.

We pledge assets, including mortgage loans or real estate securities, as collateral to secure most of our financing arrangements. However, should the value of our collateral or the value of our derivative instruments suddenly decrease, or margin requirements increase, we may be required to post additional collateral for certain of these arrangements, causing an adverse change in our liquidity position. Furthermore, there is no assurance that we will always be able to renew (or roll) our short-term funding liabilities at their scheduled maturities, which could materially harm our liquidity position and result in substantial losses. In addition, in some cases our counterparties have the option to increase our haircuts (margin requirements) on the assets we pledge against our funding liabilities, thereby reducing the amount that can be borrowed against an asset even if they agree to renew or roll our funding liabilities. Significantly higher haircuts would require us to post additional collateral and could reduce our ability to leverage our portfolio or may even force us to sell assets, especially if correlated with asset price declines or faster prepayment rates on our assets.

Additionally, as a REIT, we are required to distribute a significant portion of our taxable income annually, which constrains our ability to accumulate operating cash flow and therefore may require us to utilize debt or equity capital to finance our business and, therefore, we are exposed to risks related to the capital markets, and our related ability to raise capital through the issuance of our common stock, preferred stock or other equity or debt instruments. We seek to mitigate these risks by monitoring the capital markets to inform our decisions on the amount, timing, and terms of capital we raise.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in the 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 as appropriate to allow timely decisions regarding required disclosures. An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of September 30, 2026. Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of September 30, 2026.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended September 30, 2026 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings

Neither we, nor our subsidiaries, nor Ellington nor its affiliates (including our Manager) are currently subject to any legal proceedings that we or our Manager consider material to us. Nevertheless, we, our subsidiaries, and Ellington and its affiliates operate in highly regulated markets that currently are under regulatory scrutiny, and over the years, Ellington and its affiliates have received, and we expect in the future that we and they may receive, inquiries and requests for documents and information from various federal, state and foreign regulators.

We and Ellington cannot provide any assurance that, whether the result of regulatory inquiries or otherwise, neither we nor Ellington nor its affiliates will become subject to investigations, enforcement actions, fines, penalties or the assertion of private litigation claims or that, if any such events were to occur, they would not materially adversely affect us. For a discussion of these and other related risks, see "Part I, Item 1A. Risk Factors—We, Ellington, or its affiliates may be subject to regulatory inquiries and proceedings, or other legal proceedings" of our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 1A. Risk Factors

For information regarding factors that could affect our results of operations, financial condition, and liquidity, see the risk factors discussed under "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on March 2, 2026 (the "Form 10-K"). See also "Special Note Regarding Forward-Looking Statements," included in Part I, Item 2 of this Quarterly Report on Form 10-Q.

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

Unregistered Sales of Equity Securities

Pursuant to our 2026 Equity Incentive Plan, on September 9, 2026, we issued 20,362 restricted shares of common stock and 20,362 OP LTIP Units to our independent directors in consideration for their services as directors. Such restricted shares of common stock and OP LTIP Units are subject to forfeiture restrictions that will lapse on September 8, 2027.

Once vested, OP LTIP Units may be converted at the election of the holder, or at any time at our election, into OP Units on a one-for-one basis. Subject to certain conditions, the OP Units are redeemable by the holder for an equivalent number of shares of our common stock or, at our election, for the cash value of such shares of our common stock. No underwriters or placement agents were involved in the issuances. Such issuances were exempt from the registration requirements of the Securities Act based on the exemption provided in Section 4(a)(2) of the Securities Act.

Item 6. Exhibits

Exhibit	Description
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification of Chief Financial Officer 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
101.SCH	Inline XBRL Taxonomy Extension Schema
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Furnished herewith. These certifications are not deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

ELLINGTON FINANCIAL INC.

Date: November 6, 2026

By: /s/ LAURENCE PENN

Laurence Penn
Chief Executive Officer
(Principal Executive Officer)

ELLINGTON FINANCIAL INC.

Date: November 6, 2026

By: /s/ JR HERLIHY

JR Herlihy
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Laurence Penn, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ellington Financial Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

Date: November 6, 2026

/s/ Laurence Penn

Laurence Penn
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, JR Herlihy, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Ellington Financial Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

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

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

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

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

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

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

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

Date: November 6, 2026

/s/ JR Herlihy
JR Herlihy
Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 32.1

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

In connection with the Quarterly Report of Ellington Financial Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Laurence Penn, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: November 6, 2026

/s/ Laurence Penn

Laurence Penn
Chief Executive Officer
(Principal Executive Officer)

Exhibit 32.2

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

In connection with the Quarterly Report of Ellington Financial Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, JR Herlihy, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

Date: November 6, 2026

/s/ JR Herlihy

JR Herlihy
Chief Financial Officer
(Principal Financial and Accounting Officer)