Risk Factors Comparison 2024-02-27 to 2023-03-01 Form: 10-K

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Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows and prospects. Risks that we deem material are described under “ Risk Factors ” in Item 1A of this report. These risks include, but are not limited to, the following: • The success and growth of our business **, results of operations, and financial condition** will depend upon our ability to adapt to and implement technological changes **to meet our business needs and the changing demands of the market and our clients** . • Cyberattacks **,** ~~and other data and~~ security breaches **, or a failure to comply with information security laws or regulations** could result in serious harm to our reputation and ~~adversely affect our business. • Our products use software, hardware and services that may be difficult to replace or cause errors or failures of our products that could~~ adversely affect our business. • We are, and intend to continue, developing new products and services, and our failure to accurately predict their demand or growth could have an adverse effect on our business. • We are required to make servicing advances that can be subject to delays in recovery or may not be recoverable in certain circumstances. • We may be required to repurchase or substitute mortgage loans or **mortgage servicing rights (“** MSRs **”)** that we have sold, or indemnify purchasers of our mortgage loans or MSRs. • **We rely upon the accuracy and completeness of information about borrowers and any misrepresented information or** ~~Fraud~~ **fraud** could result in significant financial losses and harm to our reputation. • Loss of our key leadership could result in a material adverse effect on our business. • ~~We utilize~~ **Failure of** vendors ~~and service providers, including affiliates and other third parties, to deliver products and services to our clients. Their failure~~ to perform to contractual agreements **embedded in our products and services** and our failure to effectively **oversee** ~~maintain a~~ vendor **operations** ~~oversight program~~ could adversely affect our business. • ~~Our subsidiary,~~ Rocket Loans, ~~is~~ **as** a **rapidly** growing ~~company~~ **business, faces a range of interconnected risks and challenges** that **could have a material adverse effect on** ~~faces increased risks, uncertainties, expenses and difficulties due to~~ its ~~relatively limited operating~~ **operations** ~~history, its reliance on third party relationships and sources and the expansion of its lending technology to other products~~ . • Our Rocket Homes business ~~model~~ **is** ~~subjects~~ **subject** ~~us~~ to challenges not faced by traditional real estate brokerages. • We may be unable to make acquisitions and investments, successfully integrate acquired companies into our business, or our acquisitions and investments may not meet our expectations, any of which could adversely affect our business, financial condition, and results of operations. • Negative public opinion could damage our brand and reputation **,** which could adversely affect our business and earnings. • Our risk management efforts may not be effective at mitigating potential losses resulting in increased costs or business disruption. • We face intense competition that could adversely affect us. • Our business is significantly impacted by interest rates. Changes in prevailing interest rates or U. S. monetary policies that affect interest rates have and may continue to have a detrimental effect on our business. • A disruption in the secondary home loan market, including the mortgage- backed security (~~"~~ **“** MBS ~~"~~ **”**) market, could have a detrimental effect on our business ~~. • Regulation of title insurance rates could adversely affect our subsidiary, Amrock~~ . • We are subject to various legal actions that if decided adversely, **or if viewed unfavorably by the public,** could be detrimental to our business. • If we cannot maintain our corporate culture, we could lose the innovation, collaboration and focus on the mission that contribute to our business. • Our certificate of incorporation contains a provision renouncing our interest and expectancy in certain corporate opportunities. • We are **controlled by RHI, an entity controlled by Dan Gilbert, whose interests may conflict with our interests and the interests of other stockholders. Further, because we are** a “ controlled company ” within the meaning of the **New York Stock** Exchange rules ~~and~~ , **we** ~~as a result,~~ qualify for and intend to rely on exemptions from certain corporate governance requirements. ~~• The dual class structure of our common stock may adversely affect the trading market for our Class A common stock.~~ Additional risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business, financial condition, results of operations and cash flows. In addition to risks and uncertainties in the ordinary course of business that are common to all businesses, important factors that are specific to our industry and the Company could have a material and adverse impact on our business, financial condition, results of operations and cash flows. You should carefully consider the risks described below and in our subsequent periodic filings with the SEC. The following risk factors should be read in conjunction with “ Item 7. Management’ s Discussion and Analysis of Financial Condition and Results of Operations ” and the consolidated financial statements and related notes in this Annual Report. Risks Relating to Technology and Cybersecurity The ~~success and growth of our business, results of operations, financial condition and liquidity will depend upon our ability to adapt to and implement technological changes to meet our business needs and the changing demands of the market and our clients. The~~ markets for our services are characterized by constant technological changes, with frequent introductions of new technology- driven products and services. We rely on our proprietary technology to make our ~~Rocket~~ technology ~~platform~~ available to clients, evaluate loan applicants and service loans. In addition, we may increasingly rely on technological innovations **, including artificial intelligence (“ AI ”) and other technology or third- party software** as we introduce new products, expand our current products into new markets and continue to streamline various loan-related and lending processes. If we are unable to keep pace with technological change affecting the markets for our services or if we are unable to successfully innovate **, integrate** and **adopt new technologies to** continue to deliver a superior client experience, the demand for our products and services may decrease, we may be unable to attract clients and our growth and results of operations may be harmed. The origination **and servicing** ~~process~~ **processes** ~~is~~ **are** increasingly dependent on technology, and our business relies on our continued ability to process loan applications over the internet, accept electronic signatures, provide instant process status updates **, process payments, provide electronic statements,** and other client ~~–~~ and loan applicant- expected conveniences. Maintaining and improving this technology will require significant capital expenditures ~~. Our dedication to incorporating technological advancements into our loan origination~~ and **skilled** ~~servicing platforms requires significant financial and~~ personnel ~~resources~~. To the extent we are dependent on any particular technology or technological solution **(whether developed internally or by a third- party vendor)**, we may be harmed if such technology or technological solution becomes non- compliant with existing industry standards, fails to meet or exceed the capabilities of our competitors' equivalent technologies or technological solutions, becomes increasingly expensive to service, retain and update, becomes subject to third **-** party claims of intellectual property infringement, misappropriation or other violation, or malfunctions or functions in a way we did not anticipate that results in loan defects potentially requiring repurchase and / or indemnification ~~. To operate our websites and apps, and provide our loan products and services, we use software packages from a variety of third parties, which are customized and integrated with our own custom developed code. If we are unable to integrate this software in a fully functional manner, we may experience increased costs and difficulties that could delay or prevent the successful development, introduction or marketing of new products and services. There is no assurance that we will be able to successfully adopt new technology as critical systems and applications become obsolete and better ones become available. Additionally, if we fail to develop our websites and other technologies to respond to technological developments and changing client and loan applicant needs in a cost- effective manner, or fail to acquire, integrate, or interface with third party technologies effectively, we may experience disruptions in our operations, lose market share or incur substantial costs~~. Cyberattacks, security breaches or a failure to comply with information security laws or regulations could result in serious harm to our reputation and adversely affect our business. We are dependent on internal and external information technology networks and systems to securely collect, process, transmit and store electronic information. In the ordinary course of our business, we receive, process, retain and transmit proprietary information and sensitive or confidential data, including public and non- public personal information of our clients, loan applicants, and team members (collectively defined as " Rocket Information "). Despite devoting significant time and resources to ensure the integrity of our information technology systems, we may not be able to anticipate, detect or implement effective preventive measures against all cyberattacks, security breaches or unauthorized access of our information technology systems that support our business. The technology and other controls and processes designed to secure Rocket Information and to prevent, detect and remedy any unauthorized access to that information were designed to obtain reasonable, but not absolute, assurance that such information is secure and that any unauthorized access is identified and addressed appropriately. Such controls have not always detected, and may in the future fail to prevent or detect, unauthorized access to Rocket Information. ~~The~~ **Cybersecurity risks for lenders have significantly increased both in severity and volume in recent years and the** techniques used to obtain unauthorized, improper, or illegal access to systems, third- party vendors, our clients', loan applicants' and team members' data or to disable, degrade, or sabotage service are constantly evolving, and have become increasingly complex and sophisticated and therefore more challenging to prevent and / or detect. Security attacks can originate from a wide variety of sources, including third parties such as computer hackers, hacktivists, nation state- backed hackers or persons involved with organized crime or associated with external service providers. Those parties may also attempt to fraudulently induce clients, loan applicants, team members' or other users of our systems to disclose sensitive information ~~in order~~ to gain access to our systems or data. **Any successful cyber-** ~~Cybersecurity risks for lenders have significantly increased in recent years. We, our clients and loan applicants, regulators and other third parties have been subject to, and are likely to continue to be the target of, cyberattacks. These cyberattacks could include computer viruses, malicious or destructive code, phishing attacks~~ - **attack** ~~, ransomware, denial of service~~ or **unauthorized use of Rocket** ~~information~~ **Information** ~~, improper access by team members or third party vendors or other security breaches that~~ could result in **harm to** ~~the unauthorized release, gathering, monitoring, misuse, loss or~~ **our business** ~~destruction of Rocket Information, or otherwise materially disrupt our~~ - **or** ~~or~~ **operations including increased costs to remedy and /** ~~our~~ - **or litigation, disputes, damages** ~~clients' and loan applicants'~~ or other ~~third~~ **liabilities from impacted** parties ~~' network access or business operations~~. Additionally, cyberattacks on local and state government databases and offices, including the rising trend of ransomware attacks, expose us to the risk of losing access to critical data and the ability to provide services to our clients, including but not limited to, issuing title insurance policies and closing on properties located in the affected counties or states. ~~Any penetration~~ **As a provider** of **financial products we are bound by numerous privacy** ~~our or our third party vendors' information technology systems, or other misappropriation or misuse of Rocket Information, including identity theft, wire fraud, phishing attacks, ransomware,~~ and **cybersecurity** ~~business e- mail compromise~~ **related laws and requirements. These laws continue to be refined in response to increasing cybersecurity- related risks and new requirements. For example**, **the Federal Trade Commission (" FTC ") has promulgated a revised Safeguards Rule, the New York Department of Financial Services recently promulgated updated cybersecurity regulations, and the SEC recently adopted disclosure requirements designed to enhance and standardize public company disclosures regarding cybersecurity risk management and incident reporting. If we are unable to properly safeguard data or meet new or evolving applicable regulatory requirements, we** could **be** ~~cause interruptions in the operations of our businesses, financial loss to our clients or loan applicants, damage to our computers or operating systems and to those of our clients, loan applicants and counterparties, and subject~~ **subjected** ~~us~~ to ~~increased costs~~ **substantial legal fees**, ~~litigation, disputes, damages, and other liabilities. In addition~~ **additional disclosure requirements**, ~~the foregoing events~~ **judgments, fines and negative impacts on our brand. Cyberattacks and / or breaches** could result in violations of applicable privacy and other laws. If this information is inappropriately accessed and used by a third party or a team member for illegal purposes, ~~we may be responsible to~~ the affected individuals **may attempt to hold us responsible** for any losses they may have incurred as a result of misappropriation. In such an instance, we may also be subject to regulatory action, investigation or liable to a governmental authority for fines or penalties associated with a lapse in the integrity and security of Rocket Information. We may be required to expend significant capital and other resources to protect against and remedy any potential or existing security breaches and their consequences. In addition, our remediation efforts may not be successful **,** and we may not have adequate insurance to cover these losses **. While the Company has experienced non- material cyber incidents involving third party vendors, the Company' s continued use of third parties in its business yields the potential for cybersecurity incidents that may harm business operations** . Security breaches could also significantly damage our reputation with existing and prospective clients and third parties with whom we do business. Any publicized security problems affecting our businesses and / or those of such third parties may negatively impact the market perception of our products and discourage clients from doing business with us. ~~Finally, the increased regularity of cyberattacks has prompted an increase in domestic and international laws and regulations aimed to protect data and other personal information. For example, the FTC recently promulgated a revised Safeguards Rule and the New York Department of Financial Services is engaged in cybersecurity rulemaking. In addition, there has been an uptick in third party claims stemming from cyberattacks. If we are unable to properly safeguard data or meet new or evolving applicable regulatory requirements, we could be subjected to substantial legal fees, judgments, fines and negative impacts on our brand.~~ Technology disruptions or failures, including a failure in our operational or security systems or infrastructure, or those of third parties with whom we do business, could disrupt our business, cause legal or reputational harm **,** and adversely impact our results of operations and financial condition. Many of our services are dependent on the secure, efficient, and uninterrupted operation of our technology infrastructure, including computer systems, related software applications and data centers, as well as those of certain third parties and affiliates. Our websites and computer / telecommunication networks must accommodate a high volume of traffic and deliver frequently updated, accurate and timely information. We have experienced, and may in the future experience, service disruptions and failures caused by system or software failure, fire, power loss, telecommunications failures, human error or misconduct, external attacks (e. g., computer hackers, hacktivists, nation state-backed hackers), denial of service or information, malicious or destructive code (e. g., ransomware, computer viruses and disabling devices), as well as natural disasters, health pandemics, strikes, and other similar events, and our contingency planning may not be sufficient for all situations. ~~In addition, cyber security risks have increased following our transition into a hybrid in-person and remote workforce as our team members access our secure networks through their home networks.~~ The implementation of technology changes and upgrades to maintain current and integrate new technology systems may also cause service interruptions. Any such disruptions could materially interrupt or delay our ability to provide services to our clients and loan applicants ~~,~~ and could also impair the ability of third parties to provide critical services to us. If our operations are disrupted or otherwise negatively affected by a technology disruption or failure, this could result in material adverse impacts on our business. Our business interruption insurance may not be sufficient to compensate us for all losses that may result from interruptions in our service as a result of systems disruptions, failures, and similar events ~~. Our products use third party software, hardware and services that may be difficult to replace or have bugs or flags which could cause errors or failures of our products that could adversely affect our business. We license third party software, utilize third party hardware and depend on services from various third parties for use in our products. Any disruption in service or the loss of the right to use any of the software or services provided to us by third parties could result in decreased functionality of our products or services until equivalent technology is either developed by us or, if available from another provider, is identified, obtained and integrated, which could adversely affect our business. In addition, any errors or defects in or failures of the software or services we rely on, whether maintained by us or by third parties, could result in errors or defects in our products or cause our products to fail, which could adversely affect our business and be costly to correct. Many of our third party providers attempt to impose limitations on their liability for such errors, defects or failures, and if enforceable, we may have additional liability that could harm our reputation and increase our operating costs~~ . We are reliant on internet search engines and app marketplaces to connect with consumers, and limitations on our ability to obtain new clients through those channels could adversely affect our business. We rely on our ability to attract online consumers to our websites and ~~web centers and~~ **mobile applications to then** convert them into loan applicants and clients in a cost- effective manner. We depend, in part, on search engines and other online sources for our website traffic. We are included in search **engine** ~~results~~ - **result pages** as a result of both paid search listings, where we purchase specific search terms that will result in the inclusion of our listing, and unpaid or algorithmic searches, which depend upon the searchable content on our sites. We devote significant time and resources to digital marketing initiatives, such as search engine optimization, to improve our search result rankings and increase visits to our ~~sites~~ **websites and apps** . These marketing efforts may prove unsuccessful due to a variety of factors, including increased costs to use online advertising platforms, ineffective campaigns **,** and increased competition **.** ~~, as well as certain~~ **Certain** factors not within our control, such as a change to the search engine ranking algorithm **or an increased prominence of generative AI on the search engine result page, could negatively impact the prominence of our website** . Our internet marketing efforts depend on data signals from user activity on websites and services that we do not control, and changes to the regulatory environment around consumer and data privacy (including the California Consumer Privacy Act and its implementing regulations), third **-** party mobile operating systems and browsers have impacted, and will continue to impact, the availability of such signals, which may adversely affect our digital marketing efforts. In particular, mobile operating system and browser providers have announced product changes as well as future plans to limit the ability of application developers to use these signals to target and measure advertising on their platforms. These developments have previously limited and are expected to **further** limit our ability to target our marketing efforts, and any additional loss of such signals in the future may adversely affect our targeting capabilities and our marketing efforts. We also rely on app marketplaces to connect users with our apps. These marketplaces may change in a way that negatively affects the prominence of or ease with which users can access our apps. If one or more of the search engines, app marketplaces or other online sources were to change in a way that adversely impacted our ability to connect with consumers, our business could suffer. Some aspects of our Rocket technology platform include open **-** source software, and any failure to comply with the terms of one or more of these open **-** source licenses could adversely affect our business. Certain aspects of our Rocket technology platform incorporate software covered by open **-** source licenses, and we may continue to use such software in the future. The terms of various open **-** source licenses have not been interpreted by U. S. courts, and there is a risk that such licenses could be construed in a manner that limits our use of the software, inhibits certain aspects of the platform or otherwise adversely affects our business operations. We may also face claims from others claiming ownership of, or seeking to enforce the terms of, an open - source license, including by demanding release of the open - source software, derivative works or our proprietary source code that was developed using such software. These claims could also result in litigation, require us to purchase a costly license or require us to devote additional research and development resources to change our software, any of which could adversely affect our business. Some open - source licenses subject licensees to certain conditions, including requiring licensees to make available source code for modifications or derivative works created based upon the type of open - source software used for no or reduced cost, or to license the products that use open source software under terms that allow reverse engineering, reverse assembly or disassembly. If portions of our proprietary software are determined to be subject to an open source license, or if the license terms for the open source software that we incorporate change, we could be required to publicly release the affected portions of our source code, re- engineer all or a portion of our platform or otherwise change our business activities, each of which could reduce or eliminate the value of our platform and products and services. In addition to risks related to license requirements, the use of open - source software can lead to greater risks than the use of third - party commercial software because open - source licensors generally make their open source software available " as- is " and do not provide indemnities, warranties or controls on the origin of the software. **Issues related to the development, proliferation and use of AI could give rise to legal and / or regulatory action, damage our reputation or otherwise materially harm our business. We currently incorporate AI technology in certain of our products and services and in our business operations, and we believe the proliferation of AI will have a significant impact on customer preference and market dynamics in our industry. Our research and development of such technology remains ongoing, and our ability to develop effective and ethical AI technology will be critical to our financial performance and long- term success. We may be unable to develop and implement AI, both for internal operations and external support, that keeps pace with the rapid proliferation of AI systems by competitors in our industry, which may negatively impact our business and financial performance. AI presents risks, challenges, and unintended consequences that could affect our and our customers' adoption and use of this technology. AI algorithms and machine learning methodologies may be flawed. For example, the use of AI algorithms may raise ethical concerns and legal issues due to perceived or actual unintentional bias in the processing of loan applications. Additionally, AI technologies are complex and rapidly evolving, and we face significant competition in the market and from other companies regarding such technologies. Further, while we aim to develop and use AI responsibly and attempt to identify and mitigate ethical and legal issues presented by its use, we may be unsuccessful in identifying or resolving issues before they arise. AI- related issues, including potential government regulation of AI, deficiencies and / or failures could give rise to legal and / or regulatory action, damage our reputation or otherwise adversely affect our business.** Risks Related to Our Business and Operations We are, and intend in the future to continue, investing significant resources in developing new tools, features, services, products and other offerings, including offerings of mortgage, other lending and financial products ~~including offerings in the solar energy industry~~ . Risks from our innovative initiatives include those associated with potential defects in the design and development of the technologies used to automate processes, misapplication of technologies, the reliance on data that may prove inadequate, and failure to meet client expectations, among others. As a result of these risks, we could experience increased claims, reputational damage, or other adverse effects, which could be material. Additionally, we can provide no assurance that we will be able to develop, commercially market and achieve acceptance of our new products and services. In addition, our investment of resources to develop new products and services may either be insufficient or result in expenses that are excessive in light of revenue actually originated from these new products and services. The profile of potential clients using our new products and services may not be as attractive as the profile of the clients that we currently serve, which may lead to higher levels of delinquencies or defaults than we have historically experienced. Failure to accurately predict demand or growth with respect to our new products and services could have an adverse impact on our business, and there is always risk that these new products and services will be unprofitable, will increase our costs or will decrease our operating margins or take longer than anticipated to achieve target margins. Further, our development efforts with respect to these initiatives could distract management from current operations and could divert capital and other resources from our existing business. If we do not realize the expected benefits of our investments **and development of new products and services** , our business may be harmed. We may not be able to continue to grow our loan origination business or effectively manage significant increases in our loan production volume, both of which could negatively affect our reputation and business, financial condition, and results of operations. Our mortgage loan origination business consists of providing purchase money loans to homebuyers ~~and~~ **,** refinancing existing loans **, and originating second lien home equity loans** . The origination of purchase ~~money~~ mortgage loans is greatly influenced by traditional business clients in the home- buying process such as realtors and builders. As a result, our ability to secure relationships with such traditional business clients will influence our ability to grow our loan origination business. Historically, our originations have skewed more towards refinancing, especially relative to the overall origination market, and our market share has been, and may in the future be, adversely affected by conditions in the overall origination market, including elevated interest rates and purchase originations accounting for a majority of the mortgage market. These conditions have adversely affected our business in the past, and if these conditions continue or worsen or if we are unable to increase our share of purchase originations, our market share and results of operations could be further adversely affected. Our loan origination business also operates through third - party mortgage brokers who operate more locally and routinely work with realtors and builders, but who are not contractually obligated to do business with us. Further, our competitors also have relationships with these brokers and actively compete with us in our efforts to expand our broker networks. We may not be successful in maintaining our existing relationships or expanding our broker networks. Our production and consumer direct lending operations are subject to overall market factors that can impact our ability to grow our loan production volume. For example, increased competition from new and existing market participants, reductions in the overall level of refinancing activity, slow growth in the level of new home purchase activity, lack of affordable housing, or inadequate inventory of homes for sale can impact our ability to continue to grow our loan production volumes, and as such we have been and may in the future be forced to modify our cost structure or accept lower margins in our respective businesses in order to continue to compete and keep our volume of activity consistent with past or projected levels. If we are unable to continue to grow our loan origination business, this could adversely affect our business. On the other hand, we may experience significant growth in our mortgage loan volume and **mortgage servicing rights (** MSRs **)** . But if we do not effectively manage our growth through the deployment of resources including processes, technology and ~~personnel~~ **talent** , the quality of our services could suffer, which could negatively affect our brand and operating results. During any period in which one of our clients is not making payments on a loan we service ~~, including in certain circumstances where a client prepays a loan,~~ we are required under most of our servicing agreements to advance our own funds to meet contractual principal and interest remittance requirements, pay property taxes and insurance premiums, legal expenses and other protective advances (" payment advances "). If home values rise **,** we may be required to advance greater amounts of property taxes and insurance premiums. We also advance funds to maintain, repair and market real estate properties. In certain situations, we may elect to make certain payment advances knowing that we may not be reimbursed. In addition, in the event a loan serviced by us becomes delinquent, or to the extent a mortgagor under such loan is allowed to enter into a forbearance by applicable law, regulation, or investor / insurer guidelines, the repayment to us of any payment advance related to such events may be delayed until the loan is repaid or refinanced or liquidation occurs. A delay in our ability to collect a payment advance may adversely affect our liquidity, and our inability to be reimbursed for a payment advance could be detrimental to our business. Defaults might increase due to a deterioration in the macro economy and as the loans in our servicing portfolio get older, which may increase our costs of servicing and could be detrimental to our business. ~~As~~ **Further, forbearance legislation or regulation, such as** part of ~~the~~ **a natural disaster** response **(e. g.** ~~to the COVID- 19 pandemic~~ , the Coronavirus Aid, Relief and Economic Security Act ~~(" CARES Act ")~~) ~~allows borrowers to request a mortgage forbearance. Mortgage servicers are contractually bound to advance monthly payments to investors, insurers, and taxing authorities regardless of whether the borrower actually makes those payments. The temporary period of forbearance offered for clients unable to pay on certain mortgage loans pursuant to the CARES Act may also increase the number of loans on which we must advance our own funds to meet payment advances. Further, other forbearance legislation or regulation, such as part of a natural disaster response~~ , could ~~also~~ increase the number of loans on which we must make such payment advances ~~. With specific regard to the COVID- 19 pandemic, federal regulatory or GSE- specific relief on servicing advance obligations provided to mortgage loan servicers has so far been limited to GSE- eligible mortgage loans, leaving out any non- GSE mortgage loan products such as jumbo mortgage loans. Federal or state statutes, regulations or guidance may broaden the scope of relief to non- GSE loans or mandate automatic forbearances. Approximately 0. 39 % of our serviced loans are in forbearance as of December 31, 2022~~ . With delinquent VA guaranteed loans, the VA guarantee may not make us whole on losses or payment advances we may have made on the loan. If the VA determines the amount of the guarantee payment will be less than the cost of acquiring the property, it may elect to pay the VA guarantee and leave the property securing the loan with us (a " VA no- bid "). If we cannot sell the property for a sufficient amount to cover amounts outstanding on the loan we will suffer a loss which may, on an aggregate basis and if the percentage of VA no- bids increases, have a detrimental impact on our business and financial condition. In addition, for certain loans sold to Ginnie Mae, we, as the servicer, have the unilateral right to repurchase any individual loan in a Ginnie Mae securitization pool if that loan meets defined criteria, including being delinquent greater than 90 days. ~~Once we have the~~ **Upon electing to exercise this** unilateral right to repurchase the delinquent loan, we ~~have~~ effectively ~~regained~~ -- **regain** control over the loan ~~and~~ **, meaning that** we must recognize the loan on our balance sheet and recognize a corresponding financial liability. Any significant increase in required servicing advances or delinquent loan repurchases could have a significant adverse impact on our cash flows, even if they are reimbursable, and could also have a detrimental effect on our business and financial condition. Our counterparties may terminate our servicing rights and subservicing contracts under which we conduct servicing activities. The majority of the mortgage loans we service are serviced on behalf of Fannie Mae, Freddie Mac ~~and Ginnie Mae~~ (collectively defined as " GSEs ") **and Ginnie Mae (together with GSEs, the " Agencies ")** . These entities establish the base service fee to compensate us for servicing loans as well as the assessment of fines and penalties that may be imposed upon us for failing to meet their respective servicing standards. As is standard in the industry, under the terms of our master servicing agreements with the ~~GSEs~~ **Agencies** , ~~the~~ **they** ~~GSEs~~ have the right to terminate us as servicer of the loans we service on their behalf at any time and also have the right to cause us to sell the MSRs to a third party. In addition, failure to comply with servicing standards could result in termination of our agreements with the ~~GSEs~~ **Agencies** with little or no notice and without any compensation. If any of Fannie Mae, Freddie Mac or Ginnie Mae were to terminate us as a servicer, or increase our costs related to such servicing by way of additional fees, fines or penalties, such changes could have a material adverse effect on the revenue we derive from servicing activity, as well as the value of the related MSRs. These agreements, and other servicing agreements under which we service mortgage loans for non- GSE loan purchasers, also require that we service in accordance with GSE servicing guidelines, contain financial covenants and permit termination if we are terminated as an approved servicer by a GSE. Under our subservicing contracts, the primary servicers for which we conduct subservicing activities have the right to terminate our subservicing rights with or without cause, with little notice and little to no compensation. If we were to have our servicing or subservicing rights terminated on a material portion of our servicing portfolio, this could adversely affect our financial results. A failure to maintain the ratings assigned to us by a rating agency could have an adverse effect on our business, financial condition and results of operations. Our mortgage origination and servicing platforms, as well as Rocket Mortgage' s outstanding unsecured senior notes and outstanding securitization transactions that are composed of our mortgage loan products, are routinely rated by national rating agencies for various purposes. These ratings are subject to change without notice. Any downgrade of our ratings could restrict our access to sources of capital on terms satisfactory to us or at all, increase the cost of any debt or equity financing, and be detrimental to our business. Our origination and servicing businesses and operating results may be adversely impacted due to a decline in market share for our origination business, a decline in repeat clients and an inability to recapture loans from borrowers who refinance. If our loan origination business loses market share, loan originations otherwise decrease or the loans in our servicing portfolio are repaid or refinanced at a faster pace than expected, we may not be able to maintain or grow the size of our servicing portfolio, as our servicing portfolio is subject to " run- off " (i. e., mortgage loans serviced by us may be repaid at maturity, prepaid prior to maturity, refinanced with a mortgage not serviced by us, liquidated through foreclosure, deed- in- lieu of foreclosure, or other liquidation process, or repaid through standard amortization of principal). As a result, our ability to maintain the size of our servicing portfolio depends on our ability to originate loans with respect to which we retain the servicing rights. Additionally, in order for us to maintain or improve our operating results, it is important that we continue to extend loans to returning clients who have successfully repaid their previous loans at a pace substantially consistent with the market. Our repeat loan rates may decline or fluctuate as a result of our expansion into new products and markets, because our clients are able to obtain alternative sources of funding, or because new clients we acquire in the future may not be as loyal as our current client base. Furthermore, clients who refinance have no obligation to refinance their loans with us and may choose to refinance with a different originator. If borrowers refinance with a different originator, this decreases the profitability of our MSRs because the original loan will be repaid, and we will not have an opportunity to earn further servicing fees after the original loan is repaid. If we are not successful in recapturing our existing loans that are refinanced, our MSRs may become increasingly subject to run ~~-~~ **-** off, and in order to maintain our servicing portfolios at consistent levels we may need to purchase additional MSRs on the open market to add to our servicing portfolio, which could increase our costs and risks and decrease the profitability of our servicing business. We depend on our ability to sell loans in the secondary market to a limited number of investors and to the GSEs, and to securitize our loans into ~~Mortgage~~ **mortgage -** ~~Backed~~ **backed** ~~Securities~~ **securities** (**“** MBS **”**) through the GSEs and Ginnie Mae. If our ability to sell or securitize mortgage loans is impaired, we may not be able to originate mortgage loans. Substantially all of our loan originations are sold into the secondary market. We securitize loans into MBSs through Fannie Mae, Freddie Mac and Ginnie Mae. Loans originated outside of Fannie Mae, Freddie Mac, and the guidelines of the **Federal Housing Administration (“** FHA **”** ~~(as defined below~~), United States Department of Agriculture (~~"~~ **“** USDA ~~"~~ **”**), or VA (for loans securitized with Ginnie Mae) are sold to private investors and mortgage conduits, including our loan securitization company, Woodward Capital Management LLC, which primarily securitizes such non- GSE loan products. For further discussion, see "- Risks Relating to the Financial and Macroeconomic Environment- Our business is highly dependent on Fannie Mae and Freddie Mac and certain U. S. government agencies, and any changes in these entities or their current roles could be detrimental to our business. " The gain recognized from sales in the secondary market represents a significant portion of our revenue and net earnings. A decrease in the prices paid to us upon sale of our loans could be detrimental to our business, as we are dependent on the cash generated from such sales to fund our future loan closings and repay borrowings under our loan funding facilities. If it is not possible or economical for us to complete the sale or securitization of certain of our loans held for sale, we may lack liquidity to continue to fund additional loan originations and our revenue and margins on new loan originations could be materially and negatively impacted. Further, there may be delays in our ability to sell future mortgage loans which we originate, or there may be a market shift that causes buyers of our non- GSE products — including jumbo mortgage loans, closed- end home equity loans and other non- qualified mortgage products — to reduce their demand for such products. These market shifts can be caused by factors outside of our control including, but not limited to macroeconomic changes, market shifts and changes in investor liquidity, availability, or appetite for such non- GSE products. Delays in the sale of mortgage loans, increased borrowing costs or increased hedge risk also increase our exposure to market risks, which could adversely affect our profitability on sales of loans. Any such delays or failure to sell loans could ~~be~~ **have a** materially adverse ~~to~~ **effect on** our business **. We may be required to repurchase or substitute mortgage loans or MSRs that we have sold, or indemnify purchasers of our mortgage loans or MSRs** . We make representations and warranties to purchasers when we sell them a mortgage loan or an MSR, including in connection with our MBS securitizations. If a mortgage loan or MSR does not comply with the representations and warranties that we made with respect to it at the time of its sale, we could be required to repurchase the loan or MSR, replace it with a substitute loan or MSR and / or indemnify secondary market purchasers for applicable losses. If this occurs, we may have to bear any associated losses directly, as repurchased loans typically can only be resold at a steep discount to their repurchase price, if at all. We also may be subject to claims by purchasers for repayment of a portion of the premium we received from such purchaser on the sale of certain loans or MSRs if such loans or MSRs are repaid in their entirety within a specified time period after the sale of the loan. As of December 31, ~~2022~~ **2023** , we had accrued $ ~~110~~ **92** . ~~1~~ **4** million in connection with our reserve for repurchase and indemnification obligations. Actual repurchase and indemnification obligations could materially exceed the reserves we have recorded in our financial statements. Any significant repurchases, substitutions, indemnifications or premium recapture could be detrimental to our business. Additionally, we may not be able to recover amounts from some third parties from whom we may seek indemnification or against whom we may assert a loan repurchase demand in connection with a breach of a representation or warranty due to financial difficulties or otherwise. As a result, we are exposed to counterparty risk in the event of non ~~-~~ **-** performance by counterparties to our various contracts, including, without limitation, as a result of the rejection of an agreement or transaction in bankruptcy proceedings, which could result in substantial losses for which we may not have insurance coverage. Our underwriting may not accurately predict the likelihood of default for all loans, which can result in substantial losses that could adversely affect our financial condition. We originate mortgage loans according to GSE and regulatory guidelines, as applicable to the related mortgage loan product, using automated underwriting engines from Fannie Mae and Freddie Mac that predict a borrower' s ability and willingness to pay. Despite these standards, our underwriting guidelines may not always correlate with, or accurately predict, the underlying mortgage defaults. A client' s ability to repay their loan may be adversely impacted by numerous factors, including a change in the borrower' s employment, financial condition or other negative local or macroeconomic conditions **, including but not limited to, increased property tax**

rates and increased costs for homeowners' insurance . Deterioration in a client' s financial condition and prospects may be accompanied by deterioration in the value of the collateral for the loan. Self- employed clients may be more likely to default on their loans than salaried or commissioned clients and generally have less predictable income. In addition, many self- employed clients are small business owners who may be personally liable for their business debt. Deterioration in self- employed clients' businesses or economic changes may result in increased defaults on the loans we originate or service. Some of the loans we originate or acquire have been, and in the future could be, made to clients who do not live in the mortgaged property. These loans secured by rental or investment properties tend to default more than loans secured by properties regularly occupied or used by the client. In a default, clients not occupying the mortgaged property may be more likely to abandon the property, increasing our financial exposure. The above referenced loans may be more expensive to service because they require more frequent interaction with clients and greater monitoring and oversight. Additionally, these higher- risk loans may be subject to increased scrutiny by state and federal regulators and lead to higher compliance and regulatory costs, which could result in a further increase in servicing costs. We may not be able to pass along any of the additional expenses we incur in servicing these higher- risk loans to our servicing clients or the related investors. The greater cost of servicing higher- risk loans could adversely affect our business, financial condition and results of operations. We ~~rely upon the accuracy and completeness of information about borrowers and any misrepresented information or fraud could result in significant financial losses and harm to our reputation. We~~ use automated underwriting engines from Fannie Mae and Freddie Mac to assist us in determining if a loan applicant is creditworthy, as well as other proprietary and third **-** party tools and safeguards to detect and prevent fraud. We are unable, however, to prevent every instance of fraud that may be engaged in by our clients or team members, and any seller, real estate broker, notary, settlement agent, appraiser, title agent, or third **-** party originator that misrepresents facts about a loan, including the information contained in the loan application, property valuation, title information and employment and income documentation submitted with the loan application. If any of this information was intentionally or negligently misrepresented and such misrepresentation was not detected prior to the acquisition or closing of the loan, the value of the loan could be significantly lower than expected, resulting in a loan being approved in circumstances where it would not have been ~~,~~ had we been ~~approved if~~ provided with accurate data. A loan subject to a material misrepresentation is typically unsalable or subject to repurchase if it is sold before detection of the misrepresentation. In addition, the persons and entities making a misrepresentation are often difficult to locate and it is often difficult to collect from them any monetary losses we have suffered. ~~Additionally, we continue to develop and expand our use of internet and telecommunications technologies (including mobile devices) to offer our products and services. These new mobile technologies may be more susceptible to the fraudulent activities of computer hackers, organized criminals, perpetrators of fraud, and others. Our resources, technologies and fraud prevention tools may be insufficient to accurately detect and prevent fraud on this channel.~~ The technology and other controls and processes we have created to help us identify misrepresented information in our loan origination operations were designed to obtain reasonable, not absolute, assurance that such information is identified and addressed appropriately. Accordingly, such controls may fail to detect all misrepresented information in our loan origination operations. High profile fraudulent activity also could negatively impact our brand and reputation, which could impact our business. In addition, certain fraudulent activity could lead to regulatory intervention and / or increased oversight, which could increase our costs and negatively impact our business. ~~Failure of vendors to perform to contractual agreements embedded in our products and services and our failure to effectively oversee vendor operations could adversely affect our business.~~ We contract with vendors and service providers, including affiliates and other third parties, who perform services for us or to whom select functions are delegated. **The** ~~Our arrangements with~~ vendors and service providers ~~may~~ **with whom we contract provide, among other things, software, hardware and services on which our products depend. Any** ~~disrupt~~ **disruption** ~~or degrade~~ **in service** ~~our~~ - **or** ~~operations~~ **the loss of the right to use any of the software or services provided to us by third parties could result in decreased functionality of our products or services until an equivalent service / technology is either developed by us or,** if **available from another provider, is identified, obtained, and integrated, which could adversely affect our business. In addition, any errors, or defects in or failures of** ~~they~~ - **the software or services we rely on, whether maintained by us or by third parties, could result in errors or defects in our products or cause our products to** fail **, which could adversely affect our business and be costly** to ~~satisfy~~ **correct. Many of our third- party providers attempt to impose limitations on** their **liability** ~~obligations to us or~~ **for such errors, defects or failures, and** if **enforceable, we may have additional liability that could harm** ~~they were to stop providing services to us either on a temporary or~~ **our** ~~permanent basis~~ **reputation and increase our operating costs** . **In addition, our** ~~We may be unable to replace these~~ vendors and service providers ~~in a timely and efficient manner, on similar terms, or at all. In addition, our vendors and service providers~~ may fail to **comply** ~~operate in compliance~~ with applicable laws, regulations, and rules. **Maintaining** ~~Failure to effectively~~ -- **effective** ~~maintain a~~ **third- party risk management and** vendor oversight ~~program~~ **programs** may not adequately mitigate risks of noncompliance with applicable laws and may negatively impact our business. Despite our reasonable efforts to monitor our vendors and service providers with which we transact business, there is no guarantee that they will comply with their contractual obligations ~~as agreed to~~ . Failure to ensure compliance of our vendors could result in fines, penalties or other liability for errors and omissions by these vendors and service providers. **Further, our vendors and service providers often have access to sensitive and confidential information, including customer data, intellectual property and proprietary business information. While we implement rigorous vendor selection and due diligence processes and ensure our vendor agreements include adequate data privacy and data security contractual requirements, certain third- party vendors have experienced data breaches and may in the future experience data breaches, which could result in unauthorized access to our sensitive information, leading to negative financial, reputational and operational consequences. Our arrangements with vendors and service providers may also disrupt or degrade our operations if they fail to satisfy their obligations to us or if they were to stop providing services to us either on a temporary or permanent basis. We have in the past, and may in the future,**

experience temporary disruptions of services from certain vendors. We may be unable to replace these vendors and service providers in a timely and efficient manner, on similar terms, or at all. Rocket Loans ~~is a growing company that~~ faces ~~increased~~ risks **related to regulatory compliance** , ~~uncertainties~~ **competitive environments** , ~~expenses and~~ - **an inability** ~~difficulties due~~ to **grow** its **client base** ~~relatively limited operating history~~ , **failures in technology development,** ~~its reliance on third party relationships~~ and **increasing** ~~sources and the expansion of its~~ lending ~~technology to other products~~ - **product offerings** . ~~Our~~ **Failure to address these challenges effectively could impact** Rocket Loans **' ability to achieve** ~~business has a relatively limited operating history at its current scale~~ **scalable** ~~,~~ and ~~has encountered and will continue to encounter risks, uncertainties, expenses and difficulties, including navigating the complex and evolving regulatory and competitive environments, increasing its number of clients, developing technology solutions related to lending, and increasing its lending product offering and volume. If we are not able to timely and effectively address these requirements, our business may not be able to scale or grow profitably~~ **profitable growth** . **For example** ~~Specific risks include: • Other than for select loans which are originated on our platform~~ , Rocket Loans ~~is reliant~~ **relies heavily** on a third **-** party relationship with Cross River Bank **for** ~~, a New Jersey state- chartered bank that offers a variety of consumer and commercial financing programs to originate loans~~ - **loan** ~~. Cross River Bank leverages Rocket Loans' technology and support services to facilitate all other aspects of the lending services related to such loans. Cross River Bank must comply with various federal, state and other laws and third party relationships with certain investors that have committed to purchase loans upon~~ origination ~~pursuant to agreements that contain certain conditions~~ and **if this** ~~terminate within one to three years. If Rocket Loans is unable to maintain its~~ relationship ~~with Cross River Bank, or if Cross River Bank~~ were to ~~suspend or~~ cease ~~its~~ - **it** ~~operations, we would~~ **could impact** ~~need to implement a substantially similar arrangement with another issuing bank, obtain additional state licenses or curtail~~ Rocket Loans' ~~operations~~ **ability to originate loans** . ~~Our agreements with Cross River Bank are non- exclusive and do not prohibit Cross River Bank from working with our competitors or from offering competing services. We could in the future have disagreements or disputes with Cross River Bank, which could negatively impact or threaten our relationship. •~~ Rocket Loans **also** relies on third **-** party sources, ~~including~~ **such as** credit bureaus, for **critical borrower** ~~credit, identification, employment and other relevant~~ information **,** ~~in order to review~~ and ~~select qualified borrowers and sufficient investors. If this information~~ **its personal lending underwriting quality could suffer if these sources were to** ~~becomes~~ - **become** unavailable **or** ~~, becomes~~ more expensive ~~to access or is incorrect, our~~ - **or prove to** ~~personal lending business may~~ be ~~harmed~~ **inaccurate** . **In addition** ~~• Rocket Loans has licensed its technology and plans to license its technology in the future. Such licensing arrangements~~ , ~~by their nature, increase risks to the company of a partner claiming Rocket Loans breached its licensing agreement or the technology otherwise did not meet the client' s expectations. If this happened, Rocket Loans could also face negative press or reputational harm. • Rocket Loans is also planning to expand its lending technology to other products. Depending on the relationship, Rocket Loans may become reliant on third parties to provide the systems needed to drive sales of new product offerings. Reliance on such third parties outside of our control will increase the risk that such third parties will fail to adhere to the terms of any agreements with us or provide satisfactory services and products to consumers, which may cause complaints from consumers or negative press and have a detrimental effect on our business. There can be no guarantee that Rocket Loans will be successful in expanding its lending technology to other products. If~~ the credit decisioning and scoring models used by Rocket Loans ~~contain errors or are otherwise ineffective~~ , **which** ~~our reputation and relationships with borrowers and investors could be harmed and our market share could decline. Rocket Loans has created and uses credit decisioning and scoring models that assign each loan a grade and a corresponding interest rate. These credit decisioning and scoring models~~ are based on algorithms ~~that evaluate~~ **evaluating various** ~~a number of~~ factors, **pose** ~~including behavioral data, transactional data and employment information, which may not effectively predict future loan losses. If Rocket Loans is unable to effectively segment borrowers into relative risk~~ **risks related** ~~profiles, it may be unable~~ to **prediction effectiveness,** ~~offer attractive interest rates for borrowers and returns for investors in the loans. These algorithms~~ - **algorithm** ~~are refined based on new data and changing macroeconomic conditions. If any of these credit decisioning and scoring models contain programming or other~~ errors, ~~are ineffective or the data provided by borrowers or third parties is incorrect or stale, or if we are unable to obtain the data from borrowers or third parties, our loan pricing~~ and **potential** ~~approval process could be negatively affected, resulting in mispriced or misclassified loans or incorrect approvals or denials of loans. Moreover, certain legislators and regulators~~ **regulatory** ~~have expressed~~ concerns **regarding** ~~about using algorithms and / or artificial intelligence in the consumer finance space as they see~~ potential ~~for~~ discrimination or ~~other~~ non- compliance ~~with existing legal requirements, which may~~ **through the use of these models. Any material failure or inaccuracy in these models could negatively impact Rocket Loans' business and** result in ~~increased~~ regulatory **scrutiny** ~~oversight, new rulemaking,~~ and **reputational harm** ~~/ or a prohibition on the use of such technology~~ . ~~The~~ **Further, the** personal ~~loans~~ and solar loans ~~provided~~ **offered** by Rocket Loans involve ~~risk~~ **risks** of default **, influenced by client payment obligations** and ~~may be subject to~~ the **unsecured nature of personal loans, which could result in a lack of** availability and interest of third parties to provide **such** loan funding. **Any of** ~~A client' s ability to repay their~~ -- **the** ~~personal loans~~ **foregoing could adversely affect our business, financial condition,** and ~~solar loans can be negatively impacted~~ **result of operations. Our Rocket Homes business model is subject to challenges not faced** by **traditional** ~~increases in their payment obligations to other lenders under mortgage, credit card and other loans resulting from increases in base lending rates or structured increases in payment obligations. If a client defaults on a personal or solar loan, we may be unsuccessful in our efforts to collect the amount of the loan. As such, our partner bank Cross River Bank could decide to originate fewer personal loans and Rocket Loans could decide to originate fewer solar loans on our platform and there could be less demand in the secondary market for loans originated through the RocketLoans. com site. Additionally, personal loans made through our Rocket Loans platform are not secured by any collateral, not guaranteed or insured by any third party and not backed by any governmental authority in any way. We are therefore limited in our ability to collect on these loans if a client is unwilling or unable to repay them. Although solar loans are secured with security filings, we may be limited in our ability to recover any collateral supporting such loans due to the possibility that the~~

~~solar energy system may become a fixture to the~~ real **estate brokerages** ~~property. The unsecured personal loans are also short-term loans and are subject to risks of defaults, bankruptcies, fraud, and losses. Special hazard losses that are not covered by standard hazard insurance and any default on our solar loans could have a detrimental impact to Rocket Loan' s financial results. An increase in defaults precipitated by the risks and uncertainties associated with the above operations and activities could have a detrimental effect on our business~~. One of our subsidiaries, Rocket Homes, competes with traditional real estate brokerages while also facing expanded risks not faced by traditional brokerages. Rocket Homes' core business is the referral of homebuyers, who have been prequalified for a mortgage by Rocket Mortgage or another lender, to a network of third **-** party ~~partner~~ real estate agents that assist those homebuyers in the purchase of their new home. In addition, a new component of our Rocket Homes business is listing and selling homes directly for a fee that is typically less than what a traditional brokerage would charge. In both our core referral business and in our efforts to list and sell homes from our centralized location, Rocket Homes and our agents are required to be licensed and comply with the requirements governing the licensing and conduct of real estate brokerage and brokerage- related businesses in the markets where we operate. Rocket Homes also operates a website for searching property listings and connecting with our partner agents. The listing data is provided via license from approximately 200 Multiple Listing Service (" MLS "), and we must also comply with the contractual obligations and restrictions from each MLS in order to access and use its listings data. Because of this multifaceted business model, we face additional challenges that include: improper actions by our partner agents beyond our control that subject us to reputational, business or legal harms; failure to comply with the requirements governing the licensing and conduct of real estate brokerage and brokerage- related businesses, which could result in penalties or the suspension of operations; increases in competition in the residential brokerage industry that reduce profitability; continuing low home inventory levels that reduce demand; or a restriction or termination of our access to and use of listings data. **While Rocket Homes has not been named in class actions that challenge the real estate industry' s rules and practices for seller payment of buyer broker commissions, real estate industry participants, including Rocket Homes, who are members of the National Association of Realtors (" NAR ") and have followed NAR' s rules and guidelines when listing and selling homes using MLS are at risk of being named in current and future actions. In addition to litigation risk, developments or outcomes in such litigation or other legal proceedings involving the operation of the real estate industry could result in a significant change to the broker commission structure, the effect of which could result in reductions to the share of commission income received by Rocket Homes in both our core referral business and in our efforts to list and sell homes from our centralized location.** Our subsidiary, Core Digital Media, may experience a rise in costs related to its digital media operations and may be unable to profitably generate client leads, negatively affecting our business. Our subsidiary, Core Digital Media, ~~is~~ **functions as** an online marketing and client lead acquisition platform ~~that conducts~~ **, heavily relying on digital media for** its marketing efforts ~~exclusively through~~ **. It serves as a significant source of quality client leads for Rocket Mortgage and some of our** ~~the~~ **other subsidiaries** ~~use of digital media~~. If Core Digital Media ~~experiences an~~ **were unable to supply cost- efficient leads or sufficient quality or quantities of leads to Rocket Mortgage, the profitability of our loan production may be negatively impacted. This challenge may result from factors such as** ~~increase~~ **increased external** ~~in its costs related to digital~~ media ~~marketing or online~~ **pricing, decreased** advertising **performance** , ~~it may be unable to maintain its amount and quality of leads for~~ - **or** ~~mortgage origination~~ **regulatory constraints** . ~~Furthermore~~ **Additionally** , ~~in~~ the **regulatory landscape** ~~face of higher costs per lead~~ , **exemplified by the Consumer Financial Protection Bureau' s (" CFPB ") advisory opinion in February 2023 and the FCC' s new rules in December 2023, adds additional complexity to how** Core Digital Media ~~may be unable to effectively manage its pricing strategy and revenue opportunities, and could experience a decline in profitability that may adversely affect our business. Expanded publisher privacy restrictions may impact the overall effectiveness and operations~~ **operates** ~~of media targeting. Additionally, expansion into client inquiry acquisition~~ in ~~the Canadian marketplace will expose Core Digital Media to new national and provincial Canadian privacy, data, and financial services regulations, which may lead to increases in Core Digital Media' s cost of~~ compliance with ~~applicable regulations~~ **the new rules** and **could negatively affect our business** ~~therefore increase its costs related to marketing, advertising, and developing leads~~. We have acquired ~~,~~ and may ~~in the future~~ **continue to attempt to** acquire or **invest** ~~make investments~~ in ~~,~~ new or complementary businesses ~~(~~ **, technologies, services, or products. Acquisitions and investments pose various risks to our business** including ~~Rocket Money (formerly known as Truebill)), technologies, services or products. The risks associated with acquisitions include, without limitation~~ : ~~• Unanticipated~~ **unanticipated** costs or liabilities associated with **the acquired entities,** such **as** ~~acquisitions, including~~ claims related to ~~the~~ **their products, technologies, or offerings; failure of** acquired ~~company, its product offerings, or technology; • The~~ business ~~and~~ **or** assets **to** ~~we acquire or make investments in may not~~ perform **as** ~~at the levels we expect~~ **expected** , ~~resulting in~~ **leading to** an inability to generate sufficient revenue ~~from the acquired entity or investment~~ to offset **the associated** ~~acquisition or investment~~ costs; **unforeseen** ~~• Unanticipated complexity~~ **complexities** in accounting, internal controls **,** or regulatory requirements **associated with the acquired business or assets** ; ~~• Unanticipated reductions in goodwill or other intangible assets acquired resulting in a financial write off or impairments; • Delays~~ **delays** in ~~fully~~ **the** ~~integrating~~ - **integration of** newly acquired businesses and assets ~~into our business~~ could **lead** ~~cause our business~~ to ~~suffer from~~ inefficiencies **;** ~~, which may result in reputational~~ harm ~~; • Use of substantial portions of our available cash, the incurrence of debt or the issuance of equity~~ to ~~consummate the acquisition; • Inability to maintain relationships with customers and partners of the acquired entities; • Reliance on the accuracy of information provided by third party targets and the advice of third party advisors could result in ineffective due diligence on target entities leading to increased risks and failure to identify potential challenges; • Harm to our~~ existing business relationships with ~~business~~ partners **due to** ~~as a result of~~ the acquisition ~~or investment~~ ; ~~• Challenges~~ **and an inability to** ~~maintaining~~ --- **maintain** quality ~~and~~ **,** security **, and internal control** standards within acquired entities **,** consistent with **industry** ~~our best~~ practices ~~; • Inability~~ **and internal requirements. Further, we have relied, and will rely in the future, on third- party service providers to facilitate due diligence on acquisition and investment targets. If we are unable** to identify

issues through the due diligence process ~~functional or security vulnerabilities in acquired technology; • The need to integrate or implement additional controls~~ , **we may face obstacles in** ~~procedures, and policies; • Inability to achieve~~ **achieving** anticipated synergies or **integrating** ~~unanticipated difficulty with post- acquisition~~ **acquisitions** ~~integration~~ into ~~our~~ **its** corporate culture and operations ~~; •~~ **, which could result in an inability to realize the expected benefit of such acquisitions or investments. The capital expense of acquisitions or investments,** ~~Diversion~~ **diversion** of management, team ~~member~~ **members** , or other resources ~~(personnel or finances) that are~~ needed **elsewhere** in ~~other~~ -- **the** ~~parts of our~~ business **could negatively impact our** ~~; • Potential that we overpaid for the newly acquired~~ business **. We also may be unable to retain** ~~or assets or that the economic conditions underlying our acquisition decision have changed; • Potential loss of~~ key team members **or customers** ~~; • Disputes and~~ / ~~or~~ **vendors of acquired entities, which could undermine the acquisition value proposition. Furthermore, disputes and** negative ~~results~~ **outcomes** may arise **from** ~~out of~~ earn- outs, escrows, and other arrangements related to ~~an acquisition~~ **acquisitions . Disputes with shareholders** of a company ~~; and • Disputes may arise between our company and shareholders of a company~~ in which ~~we invested relating to the governance or operations of the company. Any of the foregoing could adversely affect our business, financial condition, and results of operations. Expansion of our mortgage business into Canada could subject us to risks and expenses that could adversely impact our business. We have evaluated, and continue to evaluate, potential expansion outside of the United States. In 2018, we invested in Lendesk, a Canadian technology company that offers services to the mortgage industry. Since 2020,~~ we have invested ~~in Edison Financial~~ **may also occur** , **particularly concerning governance or operations** ~~a Canadian mortgage business, which was renamed to Rocket Mortgage Canada in 2022~~ . **Any** ~~As a result~~ of these ~~investments, we hold a controlling interest in each of Lendesk and Rocket Mortgage Canada. As we expand into Canada, our operations are subject to a variety of~~ risks **have the** ~~, including fluctuations in currency exchange rates, increasing global interest rates, unexpected changes in legal and regulatory requirements, political, economic and civil instability and investment restrictions or requirements, potentially~~ -- **potential to** ~~adverse tax consequences, and difficulty in complying with foreign laws and regulations, as well as U. S. laws and regulations that govern foreign activities, such as the U. S. Foreign Corrupt Practices Act. Economic uncertainty in Canada could negatively impact our operations in those areas. Any occurrences of the risks associated with our Canadian operations and related expansion could~~ adversely affect ~~our~~ **the company' s** business, **financial condition,** ~~reputation and ability to further expand internationally. Negative public opinion could damage our brand~~ -- **and results of operations** ~~and reputation, which could adversely affect our business and earnings~~ . We are highly dependent on the perception and recognition of the Rocket brand in order to attract new clients. Negative public opinion can result from our actual or alleged conduct in any number of activities, including loan origination, loan servicing, debt collection practices, negative events (e. g., data breaches, executive misconduct, violations of law, etc.) corporate governance and other activities, such as the lawsuits against us. Negative public opinion could also result from actions taken by government regulators and community organizations in response to our activities, from consumer complaints, including in the CFPB complaints database, and from media coverage ~~,~~ **-** whether accurate or not. Our ability to attract and retain clients is highly dependent upon the external perceptions of our level of service, trustworthiness, business practices, financial condition and other subjective qualities. Negative perceptions or publicity regarding these matters — even if related to seemingly isolated incidents, or even if related to practices not specific to the origination or servicing of loans, such as debt collection — could erode trust and confidence and damage our reputation among existing and potential clients. In turn, this could decrease the demand for our products, increase regulatory scrutiny and detrimentally affect our business. ~~Additionally~~ **In addition** , ~~recently~~ consumer advocacy groups and some media reports have **recently** advocated **for** governmental ~~action~~ **actions** ~~prohibiting or~~ placing ~~severe restrictions~~ **additional requirements** on non- bank consumer loans **which** ~~. If the negative characterization of independent mortgage loan originators is accepted by legislators and regulators we~~ could **result in** ~~become subject to~~ more restrictive laws and regulations ~~,~~ **and /** or **changes in** ~~if accepted by consumers~~ - **consumer** ~~we~~ **perceptions and preferences. Such changes in consumer perceptions and preferences** could ~~face~~ **, in turn, result in** significant decreases in demand for our consumer loan products. ~~Terrorist attacks~~ **Further, any environmental, social and governance (" ESG ") issues may have an adverse effect on our business, financial condition and results of operations and damage our reputation. Clients, investors** and other ~~other~~ stakeholders are increasingly focused on ESG practices,including our efforts with respect to ~~global~~ talent,cybersecurity,data privacy and protection and climate change.If we do not adapt to and comply with new laws and regulations or changes to legal or regulatory requirements concerning ESG matters,or fail to meet rapidly evolving investor,industry or stakeholder expectations and standards,or if we are perceived to have not responded appropriately to growing concerns with respect to ESG issues,our reputation may be harmed,clients may choose to refrain from using our products and services,and our business or financial condition may be adversely affected. ~~We recognize~~ **Geopolitical instability caused by** acts of violence or war may affect the lending industry **and capital markets** generally and our business, financial condition and results of operations. **Geopolitical instability caused by** ~~The terrorist attacks on September 11, 2001 disrupted the U. S. financial markets, including the real estate capital markets, and negatively impacted the U. S. economy in general. Any future~~ terrorist attacks, the anticipation of any such attacks, the consequences of any military or other response by the United States and its allies, and other armed conflicts **globally** , including the ~~current war~~ **wars** in Ukraine **and the Middle East** , and geopolitical events stemming from such conflicts, ~~could~~ **have in the past caused, and in the future may** cause **,** consumer confidence and spending to decrease ~~or~~ **, and have resulted, and may in the future** result **,** in increased volatility **and disruption** in the United States and worldwide financial markets and economy ~~. The economic impact of these events could also adversely affect the credit quality of some of our loans and investments and the properties underlying our interests~~ . If such events lead to a prolonged economic slowdown, recession or declining real estate values, they could impair the performance of our investments and harm our financial condition and results of operations, increase our funding costs, limit our access to the capital markets or result in a decision by lenders not to extend credit to us. In addition, the activation of additional U. S. military reservists or members of the National Guard may significantly increase the proportion of mortgage loans whose interest rates are reduced by application of the Service Members Civil Relief Act ~~(the " Relief Act ")~~ or similar state or local laws. As a result, any such attacks or armed conflicts may adversely impact our performance. Our business is subject to the risks of earthquakes, fires, floods and other natural catastrophic events and to interruption by man ~~--~~ **-** made issues such as strikes. Our systems and operations are vulnerable to damage or interruption from earthquakes, fires, floods, power losses, telecommunications failures, strikes, health pandemics and similar events **. Further, we recognize the inherent risks related to weather and the climate wherever our business is conducted. Our primary locations may be vulnerable to extreme weather conditions which may disrupt our business and may cause us to experience additional costs to maintain or resume operations and higher attrition** . For example, a significant natural disaster in Detroit, such as an earthquake, fire or flood, could have a material adverse impact on our business, operating results and financial condition, and our insurance coverage may be insufficient to compensate us for losses that may occur. Disease outbreaks have occurred in the past (including severe acute respiratory syndrome, or SARS, avian flu, H1N1 / 09 flu and COVID ~~--~~ **-** 19) and any prolonged occurrence of infectious disease or other adverse public health developments could have a material adverse effect on the macro economy and / or our business operations. In addition, strikes and other geopolitical unrest could cause disruptions in our business and lead to interruptions, delays or loss of critical data. These types of catastrophic events could also affect our loan servicing costs, increase our recoverable and our non ~~--~~ **-** recoverable servicing advances, increase servicing defaults due to impacted clients and negatively affect the value of our MSRs. We may not have sufficient protection or recovery plans in certain circumstances, such as natural disasters affecting the Detroit, Phoenix, Cleveland or Charlotte areas, and our business interruption insurance may be insufficient to compensate us for losses that may occur. We could incur substantial losses and our business operations could be disrupted if we are unable to effectively identify, manage, monitor, and mitigate financial risks, such as credit risk, interest rate risk, prepayment risk, liquidity risk, and other market- related risks, as well as operational and legal risks related to our business, assets, and liabilities. We also are subject to various laws, regulations and rules that are not industry specific, including employment laws related to team member hiring and termination practices, health and safety laws, environmental laws and other federal, state and local laws, regulations and rules in the jurisdictions in which we operate. Our risk management policies, procedures, and techniques may not be sufficient to identify all of the risks to which we are exposed, mitigate the risks we have identified, or identify additional risks to which we may become subject in the future. Expansion of our business activities may also result in our being exposed to risks to which we have not previously been exposed or may increase our exposure to certain types of risks, and we may not effectively identify, manage, monitor, and mitigate these risks as our business activities change or increase. Competition in the mortgage and other consumer lending space is intense. In addition, the mortgage and other consumer lending business has experienced substantial consolidation. Some of our competitors may have more name recognition and greater financial and other resources than we have (including access to capital). Other of our competitors, such as correspondent lenders who originate mortgage loans using their own funds, may have more operational flexibility in approving loans. Additionally, we operate at a competitive disadvantage to U. S. federal banks and thrifts and their subsidiaries because they enjoy federal preemption and, as a result, conduct their business under relatively uniform U. S. federal rules and standards and are generally not subject to the laws of the states in which they do business (including state " predatory lending " laws). Unlike our federally chartered competitors, we are generally subject to all state and local laws applicable to lenders in each jurisdiction in which we originate and service loans. To compete effectively, we must have a very high level of operational, technological, legal, compliance, and managerial expertise, as well as access to capital at a competitive cost. Competition in our industry can take many forms, including the variety of loan programs being made available, interest rates and fees charged for a loan, convenience in obtaining a loan, client service levels, the amount and term of a loan, and marketing and distribution channels. In addition, our competitors seek to compete aggressively on the basis of pricing factors. To the extent that we match competitors' lower pricing, we may experience lower gain on sale margins. Fluctuations in interest rates and general economic conditions may also affect our competitive position. During periods of rising rates, competitors that have locked in low borrowing costs may have a competitive advantage. Furthermore, the cyclical decline in the industry' s overall level of originations and decreased demand for loans due to the higher interest rate environment, have led, and may in the future lead, to increased competition for the remaining loans. Any increase in these competitive pressures could be detrimental to our business. Environmental, social and governance ("...... negatively impact its ability to grow. Our financial performance is directly affected by changes in prevailing interest rates. Our financial performance has decreased, and may further decrease, or be subject to substantial volatility because of changes in prevailing interest rates. As a result, we are particularly affected by the policies of the U. S. Federal Reserve that influence interest rates and impact the size of the loan origination market. In **both** 2022 **and 2023** , the U. S. Federal Reserve implemented ~~several~~ **multiple** significant interest rate hikes in the federal funds rate ~~for the first time since 2018~~ to address inflation, making it more costly to ~~acquire~~ **raise** capital and originate mortgages. Rising interest rates and **increased** inflation have ~~decreased~~ **lowered the demand** , and may further **lower** ~~decrease,~~ the demand **,** for new mortgage originations and refinancings **. Further, rising interest rates** and **increased inflation have** increased competition for borrowers, which could adversely pressure our margins and have an adverse impact on our origination volumes, especially our refinancing volume. **As a result of the** ~~Prior to 2022, long- term residential mortgage~~ interest ~~rates had been at or near record lows for an extended period but have recently been subject to several~~ rate hikes in **the federal funds rate implemented by the Federal Reserve in both** 2022 and **2023** ~~may be subject to future rate hikes. As interest rates rise~~ , refinancing ~~generally becomes~~ **has consisted of** a smaller portion of the market as fewer consumers are interested in refinancing their mortgages. Higher interest rates **have** also ~~generally reduce~~ **reduced** demand for purchase mortgages as home ownership **has** ~~becomes~~ **become** more expensive. The refinance market ~~is generally~~ **has become** subject to more significant fluctuations than the purchase market as a result of interest rate changes. The increased interest rate environment has adversely affected, and may continue to adversely affect, our revenues or require us to increase marketing expenditures to increase or maintain our volume of mortgages and / or cut costs to maintain margins. Changes in interest rates are also a key driver of the performance of our servicing business, particularly because our portfolio is composed primarily of MSRs related to high- quality loans, the values of which are highly sensitive to changes in interest rates. Historically **, including following the recent increases in interest rates during both 2022 and 2023** , the value of MSRs has increased when interest rates rise as higher interest rates lead to decreased prepayment rates, and has decreased when interest rates decline as lower interest rates lead to increased prepayment rates. The recent increases in interest rates during **both** 2022 **and 2023** and further increases in rates may **result in** ~~make it more difficult to expand our MSR portfolio due to lower origination and refinance volume and MSRs become more expensive to acquire from third parties. Additionally, there may be~~ reduced recapture margins where we offer subservicing or engage in joint marketing services with third parties. **Additionally, it may become more difficult to expand our MSR portfolio due to lower origination and refinance volume and MSRs becoming more expensive to acquire from third parties.** Borrowings under our financing facilities are at variable rates of interest, which also expose us to interest rate risk. As interest rates increase, our debt service obligations on certain of our variable- rate indebtedness will also increase. In the future, we may enter into interest rate swaps, which involve the exchange of floating for fixed- rate interest payments, to reduce interest rate volatility. However, we may not maintain interest rate swaps with respect to all of our variable- rate indebtedness, and any such swaps may not fully mitigate our interest rate risk, may prove disadvantageous, or may create additional risks. Our Rocket Mortgage business relies on our loan funding facilities to fund mortgage loans and otherwise operate our business. If one or more of such facilities are terminated, we may be unable to find replacement financing at commercially favorable terms, or at all, which could be detrimental to our business. We fund a significant portion of the mortgage loans we close through borrowings under our loan funding facilities. Our borrowings are in turn generally repaid with the proceeds we receive from mortgage loan sales. We are currently, and may in the future continue to be, dependent upon lenders to provide the primary funding facilities for our loans. As of December 31, ~~2022~~ **2023** , we had ~~ten~~ **nine** loan funding facilities which provide us with an aggregate maximum principal amount of $ ~~17~~ **15** . ~~5~~ **8** billion in loan origination availability, ~~eight~~ **seven** of which allow drawings to fund loans at closing, and are with large global financial institutions. Included in those ~~ten~~ **nine** loan funding facilities are two loan funding facilities with GSEs. Additionally, we are parties to agency MSR backed master repurchase agreement facilities, which provide us access to $ ~~1~~ **2** . ~~7~~ **0** billion of liquidity. As of December 31, ~~2022~~ **2023** , we also had available to us $ 1. 5 billion of financing through a master repurchase agreement facility specialized for the early buy out of certain mortgage loans in agency mortgage pools, and up to $ 1. ~~0~~ **3** billion available through a syndicated unsecured revolving credit facility. Of the ~~eight~~ **seven** existing global bank loan funding facilities, ~~two are~~ **one is a** 364- day ~~facilities~~ **facility** , with an aggregate of $ ~~3~~ **1** . 0 billion scheduled to expire **in** ~~over staggered maturities throughout 2023~~ **2024 and another has a 12- month initial term with an aggregate of $ 1. 5 billion** . The other ~~six~~ **five** of our existing global bank loan funding facilities provide financing for up to two years, with maturities staggered in ~~2023 and~~ 2024 **and 2025** . Approximately $ ~~8~~ **7** . ~~4~~ **2** billion of our **current** loan funding ~~facilities are~~ **capacity is** uncommitted and can be terminated by the applicable lender at any time. Moreover, one of our loan funding facilities requires that we have additional borrowing capacity so that such facility does not represent more than a specified percentage of our total borrowing capacity. If we were unable to maintain the required ratio with availability under other facilities, our funding availability under ~~that~~ **such** facilities could also be terminated. In the event that any of our loan funding facilities ~~is~~ **are** terminated or ~~is~~ **are** not renewed, or if the principal amount that may be drawn under our funding agreements that provide for immediate funding at closing were to significantly decrease, we may be unable to find replacement financing on commercially favorable terms, or at all, which could be detrimental to our business. Further, if we are unable to refinance or obtain additional funds for borrowing, our ability to maintain or grow our business could be limited. **In addition, a significant adverse development (such as a bank run, insolvency, bankruptcy or default) with one or more national or regional banks, financial institutions or other participants in the financial or capital markets may cause the customers of such institutions to lose their savings, absent action by the US government, which may increase mortgage loan default rates, and may spread to other institutions, including our lenders, and have significant adverse effects on such institutions or the markets generally, which could in turn limit our ability to obtain additional funds for borrowing on terms acceptable to us or at all and limit our ability to maintain or grow our business. Such significant adverse development, particularly in the current volatile interest rate environment, could result in changes in legislation or regulatory requirements that could materially adversely affect our business, financial condition and operating results.** Our ability to refinance existing debt and borrow additional funds is affected by a variety of factors. Our loan funding facilities, our early buy- out facilities, MSR facilities and unsecured lines of credit contain covenants, including requirements to maintain a certain minimum tangible net worth, minimum liquidity, maximum total debt or liabilities to net worth ratio, pre ~~-~~ **-** tax net income requirements, litigation judgment thresholds, and other customary debt covenants. A breach of the covenants can result in an event of default under these facilities and ~~as such~~ allow the lenders to pursue certain remedies. In addition, ~~each~~ **certain** of these facilities ~~includes~~ **include** cross default or cross acceleration provisions that could result in most, if not all, facilities terminating if an event of default or acceleration of maturity occurs under any facility. If we are unable to meet or maintain the necessary covenant requirements or satisfy, or obtain waivers for, the continuing covenants, we may lose the ability to borrow under all of our financing facilities, which could be detrimental to our business. Additional risks related to our loan funding facilities include: • limitations imposed on us under the indentures governing our 2. 875 % Senior Notes due 2026, 3. 625 % Senior Notes due 2029, 3. 875 % Senior Notes due 2031, and our 4. 000 % Senior Notes due 2033 and other existing and future financing facilities that contain restrictive covenants and borrowing conditions that may limit our ability to raise additional debt; • a decline in liquidity in the credit markets; • prevailing interest rates; • the financial strength of the lenders from whom we borrow; • the decision of lenders from whom we borrow to reduce their exposure to mortgage loans and MSRs due to a change in such lenders' strategic plan, future lines of business **, regulatory restrictions** or otherwise; • the amount of eligible collateral pledged on advance facilities, which may be less than the borrowing capacity of the facility; • the larger portion of our loan funding facilities that is uncommitted, versus committed; • more stringent financial covenants in such refinanced facilities, which we may not be able to achieve; and • accounting changes that impact calculations of covenants in our debt agreements. If the refinancing or borrowing guidelines become more stringent and such changes result in increased costs to comply or decreased mortgage origination volume, such changes could negatively impact our business. Our loan origination and servicing revenues are highly dependent on macroeconomic and U. S. residential real estate market conditions. Our success depends largely on the health of the U. S. residential real estate industry, which is seasonal, cyclical and affected by changes in general economic conditions beyond our control. Economic factors such as increased interest rates, slow economic growth or recessionary conditions, supply chain disruptions, the pace of home price appreciation or the lack of it, changes in household debt levels, inflation and increased unemployment or stagnant or declining wages affect our clients' income and thus their ability and willingness to make loan payments. National or global events including, but not limited to, supply chain disruptions, geopolitical conflicts, such as **the wars in** ~~Russia' s invasion of~~ Ukraine **and the Middle East** , and the COVID- 19 pandemic, affect all such macroeconomic conditions. Weak or a significant deterioration in economic conditions reduce the amount of disposable income consumers have, which in turn reduces consumer spending and the willingness of qualified potential clients to take out loans. As a result, such economic factors affect loan origination volume. Additional macroeconomic factors including, but not limited to, rising government debt levels, the withdrawal or augmentation of government interventions into the financial markets, changing U. S. consumer spending patterns, changing expectations for inflation and deflation, and weak credit markets may create low consumer confidence in the U. S. economy or the U. S. residential real estate industry. Excessive home building or high foreclosure rates resulting in an oversupply of housing in a particular area may also increase the amount of losses incurred on defaulted mortgage loans. Furthermore, several state and local governments in the United States are experiencing, and may continue to experience, budgetary strain. One or more states or significant local governments could default on their debt or seek relief from their debt under the U. S. bankruptcy code or by agreement with their creditors. Any or all of the circumstances described above may lead to further volatility in or disruption of the credit markets at any time and adversely affect our financial condition. Any uncertainty or deterioration in market conditions that leads to a decrease in loan originations will result in lower revenue on loans sold into the secondary market. Lower loan origination volumes generally place downward pressure on margins, thus compounding the effect of the deteriorating market conditions. Such events could be detrimental to our business. Moreover, any deterioration in market conditions that leads to an increase in loan delinquencies will result in lower revenue for loans we service for the GSEs, Ginnie Mae, and other investors because we collect servicing fees from them only for performing loans. While increased delinquencies generate higher ancillary revenues, including late fees, these fees are likely unrecoverable when the related loan is liquidated. Increased delinquencies may also increase the cost of servicing the loans for all market participants. The decreased cash flow from lower servicing fees could decrease the estimated value of our MSRs, resulting in recognition of losses when we write down those values. In addition, an increase in delinquencies lowers the interest income we receive on cash held in collection and other accounts and increases our obligation to advance certain principal, interest, tax and insurance obligations owed by the delinquent mortgage loan borrower. An increase in delinquencies could therefore be detrimental to our business. Additionally, origination of loans can be seasonal. Historically, our loan origination has increased activity in the second and third quarters and reduced activity in the first and fourth quarters as home buyers tend to purchase their homes during the spring and summer in order to move to a new home before the start of the school year. As a result, our loan origination revenues vary from quarter to quarter. Additionally, financial markets ~~have~~ experienced significant volatility as a result of the effects of the COVID- 19 pandemic. A resurgence of COVID- 19 or a future outbreak of another highly infectious or contagious disease may lead to volatility in or disruption of the credit markets and an overall material adverse decrease on our mortgage origination activities. If the value of the collateral underlying certain of our loan funding facilities decreases, we could be required to satisfy a margin call, and an unanticipated margin call could have a material adverse effect on our liquidity. Certain of our loan funding, early buy- out facilities, and MSR- backed facilities are subject to margin calls based on the lender' s opinion of the value of the loan collateral securing such financing, and certain of our hedges related to newly originated mortgages are also subject to margin calls. A margin call would require us to repay a portion of the outstanding borrowings. A large, unanticipated margin call could have a material adverse effect on our liquidity. A disruption in the secondary home loan market, including the MBS market, could have a detrimental effect on our business. Demand in the secondary market and our ability to complete the sale or securitization of our mortgage loans depends on a number of factors, many of which are beyond our control, including general economic conditions, general conditions in the banking system, the willingness of lenders to provide funding for home loans, the willingness of investors to purchase home loans and MBS, and changes in regulatory requirements. Any significant disruption or period of illiquidity in the general MBS market could directly affect our liquidity because no existing alternative secondary market would likely be able to accommodate on a timely basis the volume of loans that we typically sell in any given period. Accordingly, if the MBS market experiences a period of illiquidity, we might be prevented from selling the loans that we produce into the secondary market in a timely manner or at favorable prices, which could be detrimental to our business. Changes in the GSEs, FHA,...... be detrimental to our business. " We originate loans eligible for sale to Fannie Mae and Freddie Mac, and government- insured or guaranteed loans, such as FHA and VA loans eligible for Ginnie Mae securities issuance. In 2008, **the Federal Housing Finance Agency ("** FHFA **")** placed Fannie Mae and Freddie Mac into conservatorship and, as their conservator, FHFA controls and directs their operations. Uncertainty remains regarding the future of the GSEs, including with respect to the duration of conservatorship, the extent of their roles in the market and what forms they will have, and whether they will be government agencies, government- sponsored agencies or private for- profit entities. In September 2021, FHFA and the U. S. Department of Treasury suspended certain provisions added to the Preferred Stock Purchase Agreements (" PSPAs ") with Fannie Mae and Freddie Mac (" Enterprises ") ~~on January 14, 2021~~ . Among other limitations, the suspended provisions previously limited the acquisition of loans with higher risk characteristics, second homes and investment properties, and limited the Enterprises' cash windows. It remains to be seen how FHFA and Treasury potentially further amend the PSPAs. Changes to the PSPAs may have significant implications on the

Enterprises market footprint, lender access to the secondary market, and Enterprise capital and conservatorship milestones. In November 2021, under new leadership, FHFA issued its 2022 Conservatorship Scorecard for the GSEs and Common Securitization Solutions (**“** CSS **”**), reflecting a shift in the regulators' priorities. The Conservatorship Scorecard de- emphasizes exiting the GSEs from conservatorship, de- emphasizes CSS’ potential shift to a market utility, and reiterates the importance of ~~Credit~~ **credit** ~~Risk~~ **risk** ~~Transfer~~ **transfer** ~~(CRT)~~ . The ongoing recapitalization of the GSEs, higher affordable housing goals, ~~increase~~ **increases** to the GSE conforming loan limit, ~~forthcoming~~ **continued** review of **and volatility in** GSE pricing, and potential revisitation of the PSPAs will materially impact the GSE’ s guarantee obligations and market footprint. In addition, legislative proposals to reform the U. S. housing finance market may materially impact the role of the GSEs in purchasing and guaranteeing mortgage loans. Any such proposals, if enacted, may have broad adverse implications for the MBS market and our business. It is possible that the adoption of any such proposals might lead to higher fees being charged by the GSEs and / or lower prices on our sales of mortgage loans to them. The extent and timing of any regulatory reform regarding the GSEs and the U. S. housing finance market, as well as any effect on our business operations and financial results, are uncertain. It is not yet possible to determine whether such proposals will be enacted and, if so, when, what form any final legislation or policies might take or how proposals, legislation or policies may impact the MBS market and our business. Our inability to make the necessary adjustments to respond to these changing market conditions or loss of our approved seller / servicer status with the GSEs could have a material adverse effect on our mortgage origination operations and our mortgage servicing operations. If those agencies cease to exist, wind down, or otherwise significantly change their business operations or if we lost approvals with those agencies or our relationships with those agencies is otherwise adversely affected, we would seek alternative secondary market participants to acquire our mortgage loans at a volume sufficient to sustain our business. If such participants are not available on reasonably comparable economic terms, the above changes could have a material adverse effect on our ability to profitably sell loans we originate that are securitized through Fannie Mae, Freddie Mac or Ginnie Mae **.When servicing or originating GSE and U.S.government agency loans,we** are required to follow specific guidelines and eligibility standards that impact the way we service and originate **such** ~~GSE and U.S.government agency~~ loans,including guidelines and standards with respect to: ~~•~~ credit standards for mortgage loans; ~~•~~ our staffing levels and other servicing practices; ~~•~~ the origination,servicing,and ancillary fees that we may charge; ~~•~~ our modification standards and procedures; ~~•~~ the amount of reimbursable and non ~~-~~ **-** reimbursable advances that we may make;and ~~•~~ the types of loan products that are eligible for sale or securitization.These guidelines ~~provide the~~ **outline directives from FHFA to** GSEs **,** and **directives published by** other government agencies ~~at~~ **.Under** ~~the~~ **these directives** ~~direction of the FHFA~~ ,Fannie Mae and Freddie Mac ~~,which could result in monetary incentives for~~ **may offer financial rewards to well- performing** servicers **.Conversely,** ~~that perform well and to assess~~ compensatory penalties ~~against~~ **may be imposed on** servicers **for failing** ~~in connection with the failure~~ to meet specified timelines ~~relating~~ **related** to delinquent loans and foreclosure proceedings, ~~and~~ **as well as** other ~~breaches~~ **violations** of servicing obligations.The GSEs also have the ~~ability~~ **authority** to ~~impose other~~ **levy additional** fees on ~~the loans they acquire~~ **acquired loans** . ~~We~~ **Further,negotiations related to the guidelines with these agencies are** generally ~~cannot negotiate~~ **not possible,and the terms are subject to change without our prior consent.Any significant alterations to** these **guidelines,particularly** ~~terms with the agencies and they are subject to change at any time without our specific consent.A significant change in these~~ **those** ~~guidelines,if one~~ that **reduce** ~~decreases the fees we charge or~~ **our fees or necessitate increased** ~~requires us to expend additional~~ resources **for** ~~to provide~~ mortgage services,could ~~decrease~~ **negatively impact** our revenues **and** ~~or increase our~~ costs.In addition,changes in the nature or extent of the guarantees provided by Fannie Mae,Freddie Mac,Ginnie Mae,the USDA or the VA,or the insurance provided by the FHA,or coverage provided by private mortgage insurers,could also have broad adverse market implications.Any future increases in guarantee fees or changes to their structure or increases in the premiums we are required to pay to the FHA or private mortgage insurers for insurance or to the VA or the USDA for guarantees could increase mortgage origination costs and insurance premiums for our clients.These industry changes could negatively affect demand for our mortgage services and consequently our origination volume,which could be detrimental to our business.We cannot predict whether the impact of any proposals to move Fannie Mae and Freddie Mac out of conservatorship would require them to increase their fees ~~.For~~ . Challenges to the MERS ® System could materially and adversely affect our business, results of operations and financial condition. MERSCORP, Inc. is a privately held company that maintains an electronic registry, referred to as the MERS ® System, which tracks servicing rights and ownership of home loans in the United States. Mortgage Electronic Registration Systems, Inc. (“ MERS ”), a wholly owned subsidiary of MERSCORP, Inc., can serve as a nominee for the owner of a home loan and in that role initiate foreclosures or become the mortgagee of record for the loan in local land records. We have used in the past and may continue to use MERS as a nominee. The MERS ® System is widely used by participants in the mortgage finance industry. Several legal challenges in the courts and by governmental authorities have been made disputing MERS’ s legal standing to initiate foreclosures or act as nominee for lenders in mortgages and deeds of trust recorded in local land records. These challenges have focused public attention on MERS and on how home loans are recorded in local land records. Although most legal decisions have accepted MERS as mortgagee, these challenges could result in delays and additional costs in commencing, prosecuting and completing foreclosure proceedings, conducting foreclosure sales of mortgaged properties and submitting proofs of claim in client bankruptcy cases. Our MSRs are volatile assets with continually changing...... facilities or other financing agreements. Our hedging strategies may not be successful in mitigating our risks associated with changes in interest rates. Our profitability is directly affected by changes in interest rates. The market value of closed loans held for sale and interest rate locks generally change along with interest rates. The value of such assets moves opposite of interest rate changes. For example, as interest rates rise, the value of existing mortgage assets falls. We employ various economic hedging strategies to mitigate the interest rate and the anticipated loan financing probability or “ pull- through risk ” inherent in such mortgage assets. Our use of these hedge instruments may expose us to counterparty risk as they are not traded on regulated exchanges or guaranteed by an exchange or its clearinghouse and, consequently, there may not be the same level of protections with respect to margin requirements and positions and other requirements designed to protect both us and our counterparties. Furthermore, the enforceability of agreements underlying hedging transactions may depend on compliance with applicable statutory, commodity and other regulatory requirements and, depending on the domicile of the counterparty, applicable international requirements. Consequently, if a counterparty fails to perform under a derivative agreement, we could incur a significant loss. Our hedge instruments are accounted for as free ~~-~~ **-** standing derivatives and are included on our consolidated balance sheet at fair market value. Our operating results could be negatively affected because the losses on the hedge instruments we enter into may not be offset by a change in the fair value of the related hedged transaction. Our hedging strategies also require us to provide cash margin to our hedging counterparties from time to time. The Financial Industry Regulatory Authority, Inc. ~~(" FINRA ")~~ requires us to provide daily cash margin to (or receive daily cash margin from, depending on the daily value of related MBS) our hedging counterparties from time to time. The collection of daily margin between us and our hedging counterparties could, under certain MBS market conditions, adversely affect our short- term liquidity and cash on hand. Additionally, our hedge instruments may expose us to counterparty risk — the possibility that a loss may occur from the failure of another party to perform in accordance with the terms of the contract, which loss exceeds the value of existing collateral, if any. Our hedging activities in the future may include entering into interest rate swaps, interest rate swaptions, caps and floors, purchasing or selling U. S. Treasury securities **, mortgage options** , and / or other tools and strategies. These hedging decisions will be determined in light of the facts and circumstances existing at the time and may differ from our current hedging strategies. These hedging strategies may be less effective than our current hedging strategies in mitigating the risks described above, which could be detrimental to our business and financial condition. We rely on internal models to manage risk and to make business decisions. Our business could be adversely affected if those models fail to produce reliable and / or valid results. We make significant use of business and financial models in connection with our proprietary technology to measure and monitor our risk exposures and to manage our business. For example, we use models to measure and monitor our exposures to interest rate, credit and other market risks. The information provided by these models is used in making business decisions relating to strategies, initiatives, transactions, pricing and products. If these models are ineffective at predicting future losses or are otherwise inadequate, we may incur unexpected losses or otherwise be adversely affected. We build these models using historical data and our assumptions about factors such as future mortgage loan demand, default rates, home price trends and other factors that may overstate or understate future experience. Our assumptions may be inaccurate and our models may not be as predictive as expected for many reasons, including the fact that they often involve matters that are inherently beyond our control and difficult to predict, such as macroeconomic conditions, and that they often involve complex interactions between a number of variables and factors. Our models could produce unreliable results for a variety of reasons, including but not limited to, the limitations of historical data to predict results due to unprecedented events or circumstances, invalid or incorrect assumptions underlying the models, the need for manual adjustments in response to rapid changes in economic conditions, incorrect coding of the models, incorrect data being used by the models or inappropriate application of a model to products or events outside of the model' s intended use. In particular, models are less dependable when the economic environment is outside of historical experience, as was the case during the 2008 financial crisis and the COVID- 19 pandemic. As a result of the time and resources, including technical and staffing resources, that are required to perform these processes effectively, it may not be possible to replace existing models quickly enough to ensure that they will always properly account for the impacts of recent information and actions. A substantial portion of our assets **, including our MSRs,** are measured at fair value. Fair value determinations require many assumptions and complex analyses, and we cannot control many of the underlying factors. If our estimates prove to be incorrect, we may be required to write down the value of such assets, which could adversely affect our earnings, financial condition and liquidity. We measure the fair value of our mortgage loans held for sale, derivatives, **interest rate lock commitments ("** IRLCs **")** and MSRs on a recurring basis and we measure the fair value of other assets, such as mortgage loans held for investment, certain impaired loans and other real estate owned, on a non- recurring basis. Fair value determinations require many assumptions and complex analyses, especially to the extent there are not active markets for identical assets. For example, we generally estimate the fair value of loans held for sale based on quoted market prices for securities backed by similar types of loans. If quoted market prices are not available, fair value is estimated based on other relevant factors, including dealer price quotations and prices available for similar instruments, to approximate the amounts that would be received from a third party. In addition, the fair value of IRLCs are measured based upon the difference between the current fair value of similar loans (as determined generally for mortgages held for sale) and the price at which we have committed to originate the loans, subject to the anticipated loan financing probability, or pull- through factor (which is both significant and highly subjective). ~~Further financial condition.~~ The value of our MSRs is based on the cash flows projected to result from the servicing of the related mortgage loans and continually fluctuates due to a number of factors.These factors include changes in interest rates;historically,the value of MSRs has increased when interest rates rise as higher interest rates lead to decreased prepayment rates,and has decreased when interest rates decline as lower interest rates lead to increased prepayment rates and refinancings.Other market conditions also affect the number of loans that are refinanced,and thus no longer result in cash flows,and the number of loans that become delinquent.We use internal financial models that utilize market participant data to value our MSRs for purposes of financial reporting and for purposes of determining the price that we pay to acquire loans for which we will retain MSRs.These models are complex and use asset- specific collateral data and market inputs for interest and discount rates.In addition,the modeling requirements of MSRs are complex because of the high number of variables that drive cash flows associated with MSRs,and because of the complexity involved with anticipating such variables over the life of the MSR.Even if the general accuracy of our valuation models is validated,valuations are highly dependent upon the reasonableness of our assumptions and the results of the **models.Additionally** , MSRs do not trade in an active market with readily observable prices and, therefore, their fair value is determined using a valuation model that calculates the present value of estimated net future cash flows, using estimates of prepayment speeds, discount rate, cost to service, float earnings, contractual servicing fee income and ancillary income, and late fees. If our estimates of fair value prove to be incorrect, we may be required to write down the value of such assets, which could adversely affect our financial condition and results of operations. ~~Because~~ **In addition,** accounting rules for valuing certain assets and liabilities are highly complex and involve significant judgment and assumptions, **which** ~~these complexities~~ could lead to a delay in preparation of financial information and the delivery of this information to our stockholders and also increase the risk of errors and restatements, as well as the cost of compliance. Risks Relating to Regulatory Compliance and Litigation We operate in heavily regulated industries, and our activities expose us to risks of non- compliance with an increasing and inconsistent body of complex laws and regulations at the U. S. federal, state and local levels, as well as in Canada. Due to the heavily regulated nature of the financial services industry, we are required to comply with a wide array of U. S. federal, state and local laws and regulations and Canadian federal and provincial laws that regulate, among other things, the manner in which we conduct our loan origination and servicing businesses and the fees that we may charge, and the collection, use, retention, protection, disclosure, transfer and other processing of consumer personal information. Governmental authorities and U. S. federal and state agencies have broad oversight and supervisory authority over our business. Because we originate mortgage loans, installment loans ~~(including solar and unsecured personal loans)~~ and provide servicing activities nationwide and have operations in Canada, we must be licensed in all relevant jurisdictions that require licensure and comply with each such jurisdiction' s respective laws and regulations, as well as with judicial and administrative decisions applicable to us. Such licensing requirements also may require the submission of information regarding any person who has 10 % or more of the combined voting power of our outstanding common stock. As a result of the voting provisions of our certificate of incorporation, a person could have 10 % or more of the combined voting power of our common stock even though such person holds less than 10 % of our outstanding common stock if certain conditions are met. In addition, we are currently subject to a variety of, and may in the future become subject to additional Canadian federal and provincial laws, and U. S. federal, state, and local laws that are continually evolving and developing ~~,~~ **. These laws** ~~including~~ **include but are not limited to,** laws on advertising and sales, as well as privacy laws, including the Telephone Consumer Protection Act (" TCPA "), the Telemarketing Sales Rule, the CAN- SPAM Act, the Canadian Anti- Spam Law, the Personal Information Protection and Electronic Documents Act, the Gramm- Leach- Bliley Act (" GLBA "), the California Consumer Privacy Act (" CCPA "), the California Privacy Rights Act (" CPRA "), the Virginia Consumer Data Protection Act and the Colorado Privacy Act. We expect more states to enact legislation similar to the CCPA and CPRA, which provide consumers with various privacy rights such as the right to request deletion of their data, the right to receive data on record for them and the right to know what categories of data, generally, are maintained about them, and increases the privacy and security obligations of entities handling certain personal information of such consumers. These **laws and any** regulations **implementing such laws** directly impact our business and require ongoing compliance, monitoring and internal and external audits as they continue to evolve ~~,~~ and may result in ever- increasing public scrutiny and escalating levels of enforcement and sanctions. Subsequent changes to data protection and privacy laws could also impact how we collect and process personal information, and therefore limit the effectiveness of our products and services as well as our ability to operate or expand our business, including limiting strategic partnerships that may involve the sharing of personal information. Certain federal regulators are also actively promulgating new and revised regulations that impact our business, including the Department of Veterans Affairs Interest Rate Reduction Refinance Loan rulemaking, the CFPB' s Dodd- Frank Section 1033 rulemaking, the CFPB' s nonbank consumer financial services provider enforcement order public registry rulemaking, **the CFPB' s supervised nonbank form contract registry rulemaking, New York' s Cybersecurity Requirements for Financial Services,** FTC' s Safeguards Rule, and the interagency automated valuations rulemaking. Additionally, the interpretation of ~~such~~ data protection and privacy laws is rapidly evolving, making implementation and enforcement, and thus compliance requirements, ambiguous, uncertain, and potentially inconsistent. Although we make reasonable efforts to comply with all applicable data protection laws and regulations, our interpretations and such measures may have been or may prove to be insufficient or incorrect. We must also comply with a number of federal, state and local consumer protection laws including, among others, TILA, the Real Estate Settlement Procedures Act (" RESPA "), the Fair Credit Reporting Act, **Equal Credit Opportunity Act ("** ECOA **")** , FHA, the TCPA, the GLBA, the Electronic Fund Transfer Act, the Servicemembers Civil Relief Act ~~(" SCRA ")~~, Military Lending Act, the Homeowners Protection Act ~~(" HPA ")~~, the Home Mortgage Disclosure Act ~~(" HMDA ")~~, the SAFE Act, the Federal Trade Commission Act, the Dodd Frank Wall Street Reform and Consumer Protection Act of 2010 (" Dodd- Frank Act "), U. S. federal and state laws prohibiting unfair, deceptive, or abusive acts or practices, and state foreclosure laws. These statutes apply to loan origination, marketing, use of credit reports, safeguarding of non- public, personally identifiable information about our clients, foreclosure and claims handling, investment of and interest payments on escrow balances and escrow payment features, and mandate certain disclosures and notices to clients. In particular, various federal, state and local laws have been enacted that are designed to discourage predatory lending and servicing practices. The Home Ownership and Equity Protection Act of 1994 (" HOEPA ") prohibits inclusion of certain provisions in residential loans that have mortgage rates or origination costs in excess of prescribed levels and requires that borrowers be given certain disclosures prior to origination. Some states have enacted, or may enact, similar laws or regulations, which in some cases impose restrictions and requirements greater than those in HOEPA. In addition, under the anti- predatory lending laws of some states, the origination of certain residential loans, including loans that are not classified as " high cost " loans under applicable law, must satisfy a net tangible benefits test with respect to the related borrower. This test may be highly subjective and open to interpretation. As a result, a court may determine that a residential loan, for example, does not meet the test even if the related originator reasonably believed that the test was satisfied. Our failure to comply with these laws, or the failure of residential loan originators or servicers to comply with these laws, to the extent any of their residential loans are or become part of our mortgage- related assets, could subject us, as a servicer or, in the case of acquired loans, as an assignee or purchaser, to monetary penalties and could result in the borrowers rescinding the affected loans. Lawsuits have been brought in various states making claims against originators, servicers, assignees and purchasers of high **-** cost loans for violations of state law. Named defendants in these cases have included numerous participants within the secondary mortgage market. If our loans are found to have been originated in violation of predatory or abusive lending laws, we could be subject to lawsuits or governmental actions, or we could be fined or incur losses. The Conference of State Bank Supervisors in July 2021 issued model state regulatory prudential standards for nonbank mortgage servicers, which ~~, if~~ **have been** adopted by **a number of** individual states **and** ~~, would~~ impact our regulatory obligations, and could adversely affect our business with additional compliance costs and capital requirements. In July 2020, it was announced that the Financial Stability Oversight Council will begin an activities- based review of the secondary mortgage market. The FHFA has expressed support for this review. In September 2020, the Council released a statement containing key findings from its review, which focused on the FHFA' s June 2020 proposed capital regulation for the GSEs. The Council' s statement encouraged the FHFA and other regulatory agencies to coordinate on capital requirements for market participants, encouraged the FHFA to tailor the GSEs' capital buffers and encouraged the FHFA to implement regulatory capital definitions for the GSEs similar to those in the U. S. banking framework. In ~~September~~ **November** ~~2021~~ **2023** , FHFA ~~issued~~ **adopted** a **final rule** ~~Notice of Proposed Rulemaking~~ to amend **several provisions in** the Enterprise Regulatory Capital Framework **for the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac, and with Fannie Mae, each an Enterprise)** . **The final rule includes modifications related to guarantees on commingled securities, multifamily mortgage exposures secured by government- subsidized properties, and derivatives and cleared transactions, among other items. Any further** ~~Changes~~ **changes** to the GSEs' capital requirements could affect secondary mortgage market activities in a manner that could have an adverse effect on our business. Both the scope of the laws and regulations and the intensity of the supervision to which our businesses are subject have increased over time, in response to the 2008 financial crisis, the COVID- 19 pandemic, as well as other factors such as technological and market changes. Regulatory enforcement and fines have also increased across the banking and financial services sector. We expect that our business will remain subject to extensive and changing regulation and supervision. These regulatory changes could result in an increase in our regulatory compliance burden and associated costs and place restrictions on our origination and servicing operations. Our failure to comply with applicable U. S. federal, state and local consumer protection, Canadian federal and provincial laws, and data privacy laws could adversely impact our business including loss of our licenses and approvals to engage in our servicing and lending businesses, damage to our reputation in the industry, governmental investigations and enforcement actions, administrative fines and penalties and litigation, diminished ability to sell loans that we originate or purchase and inability to raise capital. As these U. S. federal, state and local laws, and Canadian federal and provincial laws evolve, it may be more difficult for us to identify these developments comprehensively, to interpret changes accurately and to train our team members effectively with respect to these laws and regulations. In addition, these laws may conflict with each other, and if we comply with the laws of one jurisdiction, we may find that we are violating laws of another jurisdiction. These difficulties potentially increase our exposure to the risks of non- compliance with these laws and regulations, which could be detrimental to our business. In addition, our failure to comply with these laws, regulations and rules may result in reduced payments by clients, modification of the original terms of loans, permanent forgiveness of debt, delays in the foreclosure process, increased servicing advances, litigation **including class actions** , enforcement actions, and repurchase and indemnification obligations. A failure to adequately supervise service providers and vendors, including outside foreclosure counsel, may also have these negative results. The laws and regulations applicable to us are subject to administrative or judicial interpretation, but some of these laws and regulations have been enacted only recently and may not yet have been interpreted or may be interpreted infrequently. Ambiguities in applicable laws and regulations may leave uncertainty with respect to permitted or restricted conduct and may make compliance with laws, and risk assessment decisions with respect to compliance with laws difficult and uncertain. In addition, ambiguities make it difficult, in certain circumstances, to determine if, and how, compliance violations may be cured. The adoption by industry participants of different interpretations of these statutes and regulations has added uncertainty and complexity to compliance. We may fail to comply with applicable statutes and regulations even if acting in good faith due to a lack of clarity regarding the interpretation of such statutes and regulations, which may lead to regulatory investigations, governmental enforcement actions or private causes of action with respect to our compliance. To resolve issues raised in examinations or other governmental actions, we may be required to take various corrective actions, including changing certain business practices, making refunds or taking other actions that could be financially or competitively detrimental to us. We expect to continue to incur costs to comply with governmental regulations. In addition, certain legislative and executive actions and judicial decisions can give rise to the initiation of lawsuits against us for activities we conducted in the past. Furthermore, provisions in our mortgage loan and other loan product documentation, including but not limited to the mortgage and promissory notes we use in loan originations, could be construed as unenforceable by a court. We have been, and expect to continue to be, subject to regulatory enforcement actions and private causes of action from time to time with respect to our compliance with applicable laws and regulations ~~. The relatively recent influx of new laws, regulations, and other directives adopted in response to the COVID- 19 pandemic exemplifies the ever- changing and increasingly complex regulatory landscape we operate in. While some regulatory reactions to the COVID- 19 pandemic relaxed certain compliance obligations, the forbearance requirements imposed on mortgage servicers in the CARES Act added new regulatory responsibilities. The GSEs and the FHFA, Ginnie Mae, HUD, various investors and others have also issued guidance relating to the COVID- 19 pandemic. We have received and expect to continue to receive inquiries from various federal and state lawmakers, attorneys general and regulators seeking information on our COVID- 19 response and its impact on our business, team members, and clients. Future regulatory scrutiny and enforcement resulting from the COVID- 19 pandemic is unknown~~ . As a licensed real estate brokerage, our Rocket Homes business is currently subject to a variety of, and may in the future become subject to, additional, federal, state, and local laws that are continually changing, including laws related to: the real estate, brokerage, title, and mortgage industries; mobile- and internet- based businesses; and data security, advertising, privacy and consumer protection laws. For instance, we are subject to federal laws such as the FHA and RESPA. These laws can be costly to comply with, require significant management attention, and could subject us to claims, government enforcement actions, civil and criminal liability, or other remedies, including revocation of licenses and suspension of business operations. In some cases, it is unclear as to how such laws and regulations affect Rocket Homes based on our business model that is unlike traditional brokerages, and the fact that those laws and regulations were created for traditional real estate brokerages. If we are unable to comply with and become liable for violations of these laws or regulations, or if unfavorable regulations or interpretations of existing regulations by courts or regulatory bodies are implemented, we could be directly harmed and forced to implement new measures to reduce our liability exposure. It could cause our operations in affected markets to become overly expensive, time consuming, or even impossible. ~~This~~ **Regulatory changes and the final outcomes of industry- specific litigation** may require us to expend significant time, capital, managerial, and other resources to modify or discontinue certain operations, limiting our ability to execute our business strategies, deepen our presence in our existing markets, or expand into new markets. In addition, any negative exposure or liability could harm our brand and reputation. Any costs incurred as a result of this potential liability could harm our business. Rocket Loans, as a technology platform focused on financial services solutions, relies on an issuing bank to originate the majority of its loans. Based on this relationship, Rocket Loans relies on the issuing bank to comply with federal, state, and other laws. In addition, Rocket Loans is required to secure various licenses as a servicer, lender, and a broker, among other licenses, and subjects it to various federal, state, and local laws that are continually changing, including laws related to data security, privacy and consumer protection laws, fair debt collection laws, and fair lending, among others. These laws can be costly to comply with, require significant management attention, and could subject us to claims, government enforcement actions, civil and criminal liability, or other remedies, including revocation of licenses and suspension of business operations. As a licensed ~~used vehicle dealer~~ **title and settlement service provider, and** ~~and~~ **an** ~~broker~~ **appraisal management company** , **Amrock** ~~Rocket Auto~~ is currently subject to a variety of, and may in the future become subject to, additional, federal, state, and local laws **and regulations** that are continually changing, including laws **and regulations** related to: the ~~auto dealership~~ **real estate, title, mortgage,** and ~~brokerage~~ **valuation** industries; mobile- and internet- based businesses; and data security, advertising, privacy and consumer protection laws. For instance, **Amrock** ~~Rocket Auto~~ is subject to ~~state~~ **federal** laws such as ~~the California Vehicle Code~~ **GLBA and RESPA and state insurance laws** . These laws can be costly to comply with, require significant management attention, and could subject us to claims, government enforcement actions, civil and criminal liability, or other remedies, including revocation of licenses and suspension of business operations. ~~As a licensed title and settlement service provider, and an appraisal management company, Amrock is currently subject to a variety of, and may in the future become subject to, additional, federal, state, and local laws and regulations that are continually changing, including laws and regulations related to: the real estate, title, mortgage, and valuation industries; mobile- and internet- based businesses; and data security, advertising, privacy and consumer protection laws. For instance, Amrock is subject to federal laws such as GLBA and RESPA and state insurance laws. These laws can be costly to comply with, require significant management attention, and could subject us to claims, government enforcement actions, civil and criminal liability, or other remedies, including revocation of licenses and suspension of business operations.~~ Amrock Title Insurance Company (~~"~~ **“** ATIC ~~"~~ **”**), a title insurance underwriter, is heavily regulated by its domiciled state of Texas and by the department of insurance in each state where it holds a certificate of authority to transact title insurance. It is subject to state title insurance statutes and insurance codes as well as federal law. Title insurance rates are regulated differently in various states, with most states requiring ATIC to file and receive approval of rates before such rates become effective to be utilized by title agents. Other states set promulgated rates controlling the title insurance rates that can be charged. These regulations could hinder the underwriter’ s and the agent’ s ability to promptly adapt to changing market dynamics through price adjustments, which could adversely affect operations, particularly in a rapidly declining market. ATIC is also subject to regulations and reporting requirements imposed by the National Association of Insurance Commissioners ~~(“ NAIC ”)~~ . The laws and regulations governing insurance companies continue to evolve and vary by state, adding uncertainty and complexity to compliance. Financial conditions and claim management practices are subject to regulator examinations and high scrutiny. Departures from compliance, sound underwriting practices or adequate reserves for unknown claims could result in fines, enforcement actions or loss of authority to insure. More restrictive laws and regulations may be adopted in the future, and governmental bodies or courts may interpret existing laws or regulations in a more restrictive manner, which could render our current business practices non ~~-~~ **-** compliant or which could make compliance more difficult or expensive. Any of these, or other, changes in laws or regulations could have a detrimental effect on our business or require extensive change to our compliance management system ~~. Our origination and servicing policies and procedures are subject to examination by our regulators, and the results of these examinations may require substantial financial resources to remediate or changes to our business practices. As loan servicers, Rocket Mortgage and Rocket Loans are examined for compliance with U. S. federal, state and local laws, rules and guidelines by numerous regulatory agencies. It is possible that any of these regulators will inquire about our servicing practices, policies or procedures and require us to revise them in the future. The occurrence of one or more of the foregoing events or a determination by any court or regulatory agency that our servicing policies and procedures do not comply with applicable law could lead to downgrades by one or more rating agencies, a transfer of our servicing responsibilities, increased delinquencies on loans we service or any combination of these events. Such a determination could also require us to modify our servicing standards. We are also supervised by regulatory agencies under state and Canadian law. State attorneys general, state licensing regulators, and state and local consumer protection offices have authority to investigate consumer complaints and to commence investigations and other formal and informal proceedings regarding our operations and activities. In addition, the GSEs and the FHFA, Ginnie Mae, the FTC, the HUD, various investors, non - agency securitization trustees, warehouse line providers, and others subject us to periodic reviews and audits. A determination of our failure to comply with applicable law or other relevant requirements could lead to enforcement action, administrative fines and penalties, or other administrative action~~ . Regulatory agencies and consumer advocacy groups are becoming more aggressive in asserting claims that the practices of lenders and loan servicers result in a disparate impact on protected classes. Antidiscrimination statutes, such as the FHA and the ECOA, prohibit creditors from discriminating against loan applicants and borrowers based on certain characteristics, such as race, ethnicity, sex, religion and national origin. States have analogous anti- discrimination laws that extend protections beyond the protected classes under federal law, extending protections, for example to gender identity. Various federal regulatory agencies and departments, including the U. S. Department of Justice (~~"~~ **“** DOJ ~~"~~ **”**) and CFPB, take the position that these laws apply not only to intentional discrimination, but also to neutral practices that have a disparate impact on a group that shares a characteristic that a creditor may not consider in making credit decisions (i. e., creditor or servicing practices that have a disproportionate negative affect on a protected class of individuals). These regulatory agencies, as well as consumer advocacy groups and plaintiffs' attorneys, are focusing greater attention on " disparate impact " claims. In 2015, the U. S. Supreme Court confirmed that the " disparate impact " theory applies to cases brought under the FHA, while emphasizing that a causal relationship must be shown between a specific policy of the defendant and a discriminatory result that is not justified by a legitimate, nondiscriminatory business objective of the defendant. In 2020, **the U. S. Department of Housing and Urban Development (“** HUD **”)** issued a final rule amending HUD' s interpretation of the FHA' s disparate impact standard **to better align with the 2015 U. S. Supreme Court case** ; however, HUD more recently in ~~June~~ **March** ~~2021~~ **2023** ~~proposed~~ **finalized a rule** rescinding HUD' s 2020 final rule and restoring HUD' s 2013 disparate impact standard. Although it is still unclear whether the theory applies under the ECOA, regulatory agencies and private plaintiffs can be expected to continue to apply it to both the FHA and the ECOA in the context of home loan lending and servicing. To the extent that the " disparate impact " theory continues to apply, we may be faced with significant administrative burdens in attempting to comply and potential liability for failures to comply. Furthermore, many industry observers believe that the " ability to repay " rule issued by the CFPB, discussed above, will have the unintended consequence of having a disparate impact on protected classes. Specifically, it is possible that lenders that make only Qualified Mortgages may be exposed to discrimination claims under a disparate impact theory. Beyond exposure to potential fair lending or servicing claims under disparate impact theory, lenders face increasing regulatory, enforcement and litigation risk under the FHA and ECOA from claims of " redlining " and " reverse redlining ~~.~~ " **.** Redlining is the practice of denying a creditworthy applicant a loan for housing in a certain neighborhood even though the applicant may be otherwise qualified. Reverse redlining is targeting an applicant in a certain neighborhood for higher cost products or services. In late 2021, the DOJ launched a " combating redlining initiative " and partnership with other federal and state agencies, including the CFPB, to police these practices, making clear they are a high priority across the financial services regulatory ecosystem. In June 2021 the U. S. Federal Government also formed an interagency task force to address concerns around improper bias in home appraisals. The CFPB, HUD and FHFA all have been clear that policing such bias and working to develop new guidance for industry as to how it can reduce human discretion in the home appraisal and valuation process are key agency priorities ~~in 2022~~ . Such efforts could result in a change in our appraisal practices or expose us to liability under the FHA or ECOA. In addition to reputational harm, violations of the ECOA and the FHA can result in actual damages, punitive damages, injunctive or equitable relief, attorneys' fees and civil money penalties. Relatedly, state legislatures and state financial regulatory agencies are becoming increasingly interested in implementing state level versions of the federal Community Reinvestment Act of 1977 (" CRA "). The federal CRA was enacted as part of several landmark pieces of legislation to address systemic inequities in access to credit, expand financial inclusion, and reverse the impact of decades of redlining in low and moderate- income (~~"~~ **“** LMI ~~"~~ **”**) communities and minority communities. The federal CRA currently only applies to federally insured depository banks and institutions, and evaluates their lending, services and investments in LMI and minority communities. However, certain state CRAs expanded the scope of application to include non- depository mortgage lenders, such as Rocket Mortgage. Currently, there are three states that have CRA legislation: Massachusetts, as well as Illinois (where extensive rulemaking is ~~underway~~ **being finalized** to implement the legislative requirements), and New York, both of which were ~~recently~~ passed in 2021, with other states expected to introduce similar CRA legislation in future legislative sessions. The lack of consistency and clarity on the scope of how the state level CRAs will be applied and how entities will be examined presents unknown compliance risks that may adversely impact our operations, and could inadvertently provide additional evidentiary support for potential disparate impact claims. Government regulation of the internet **, online marketing, data privacy,** and other aspects of our business is evolving, and we may experience unfavorable changes in or failure to comply with existing or future regulations and laws. We are subject to a number of regulations and laws that apply generally to businesses, as well as regulations and laws specifically governing the internet and ~~the~~ marketing over the internet ~~. Existing and future regulations and laws may impede the growth and availability of the internet and online services and may limit our ability to operate our business.~~ These laws and regulations, which continue to evolve, cover privacy and data protection, data security, pricing, content, copyrights, distribution, mobile and other communications, advertising practices, electronic contracts, consumer protections, the provision of online payment services, unencumbered internet access to our services, the design and operation of websites and the characteristics and quality of offerings online **.. The expansion of future laws and interpretations of current statutes and regulations may impede the collection or use of certain data, which may in turn prevent or restrict growth and availability of certain internet and online based products and services, and creates additional compliance risk for our business** . We cannot guarantee that we have been or will be fully compliant in every jurisdiction, as it is not entirely clear how **new or** existing laws and regulations ~~governing issues such as property ownership, consumer protection, libel and personal privacy apply or~~ will be **interpreted or** enforced with respect to the internet and e ~~-~~ **-** commerce ~~, as many of these laws were adopted prior to the advent of the internet and do not contemplate or address the unique issues they raise~~ . Moreover, increasing regulation and enforcement efforts by federal and state agencies and the prospects for private litigation claims related to our data collection, privacy policies or other e ~~-~~ **-** commerce practices become more likely. In addition, the adoption of any laws or regulations, or the imposition of other legal requirements, that adversely affect our digital marketing efforts could decrease our ability to offer, or client demand for, our offerings, resulting in lower revenue. Future regulations, or changes in laws and regulations or their existing interpretations or applications, could also require us to change our business practices, raise compliance costs or other costs of doing business and materially adversely affect our business, financial condition and operating results. ~~The~~ **Our mortgage business is exposed to heightened regulatory scrutiny by various governmental agencies, but particularly from the** CFPB **, impacting both** ~~continues to be active in its monitoring of the~~ loan origination and servicing ~~sectors~~ **. The agencies' continued monitoring** , ~~and its recently issued rules~~ - **rule** ~~,~~ **issuance.** published guidance, and enforcement actions ~~with third parties~~ increase our regulatory compliance burden and associated costs. **The** ~~We are subject to the regulatory, supervisory and examination authority of the~~ CFPB, which **oversees** ~~has oversight of~~ federal and state non- depository lending and servicing institutions, **has intensified** ~~including residential mortgage originators and loan servicers. With the change in Presidential Administrations, and in turn, CFPB leadership, the CFPB is heightening~~ its examination and enforcement **activities and with** ~~scrutiny of the consumer finance, including mortgage, industry. The CFPB has~~ rulemaking and enforcement authority **over** ~~with respect to many of the~~ federal consumer protection laws applicable to mortgage lenders and servicers, including TILA, RESPA, and the Fair Debt Collections Practices Act ~~. The~~ **, the** CFPB **poses** ~~has issued~~ a **substantial** ~~number of regulations~~ - **regulatory risk** ~~under the Dodd- Frank Act relating~~ to **our operations. Furthermore** ~~loan origination and servicing activities~~ , ~~including ability- to- repay and " Qualified Mortgage " standards and other~~ -- **the CFPB** ~~origination standards and practices as well as servicing requirements that address, among other things, periodic billing statements, certain notices and acknowledgments, prompt crediting of borrowers~~ ' **s** ~~accounts for payments received, additional notice, review and timing requirements with respect to delinquent borrowers, loss mitigation, prompt investigation of complaints by borrowers, and lender- placed insurance notices. The CFPB has also amended provisions of HOEPA regarding the determination of high- cost mortgages, and of Regulation B, to implement additional requirements under the Equal Credit Opportunity Act with respect to valuations, including appraisals and automated valuation models. The CFPB has also issued guidance to loan servicers to address potential risks to borrowers that may arise in connection with transfers of servicing and has increased the~~ focus on ~~lender liability and vendor management across the~~ mortgage **servicing practices** ~~and settlement services industries~~ , **exemplified by** ~~which may vary depending on the services being performed. For example, the CFPB~~ iteratively adopted rules over ~~the course of~~ several years ~~regarding mortgage servicing practices that required us to make modifications and enhancements to our mortgage servicing processes and systems. In 2021~~ , **including more recent amendments related** ~~the CFPB issued a final rule amending RESPA Regulation X to provide additional protections relating~~ to loss mitigation and foreclosures **during** ~~to mortgage borrowers impacted by~~ the COVID- 19 pandemic, ~~as well as a supervisory bulletin 2021- 02 warning that companies~~ **necessitated modifications and enhancements to our mortgage servicing processes and systems. The end of reliance on the** " **QM Patch** ~~unable to adequately manage loss mitigation can expect the Bureau to take enforcement or supervisory action to address violations under Regulation X~~ , ~~CFPA, or other authorities.~~ " **and the** ~~The CFPB has taken enforcement action against third party mortgage servicers for COVID- 19 related compliance issues. The intersection~~ - **introduction** of **the General QM requirements, coupled with** the CFPB' s **increased** ~~mortgage- servicing rules and COVID- 19 is evolving, will pose new challenges to the servicing industry and will be subject to ongoing changes, interpretations, and potential conflict between laws, rules, regulations, and supervisory actions. On November 10, 2021, the CFPB released a joint statement with other government agencies announcing a return to enforcement to ensure mortgage servicers are compliant with COVID- 19 consumer protections, thereby ending relaxed enforcement standards previously announced in April 2020. The mortgage- lending sector previously relied, for a significant portion of the mortgages originated, on a temporary CFPB regulation, commonly called the " QM Patch, " which permitted mortgage lenders to comply with the CFPB' s ability to repay requirements by relying on the fact that the mortgage is eligible for sale to Fannie Mae or Freddie Mac. Reliance on the QM Patch was widespread due to the operational complexity and practical inability for many mortgage lenders to rely on other ways to show compliance with the ability to repay regulations. For a more in - depth explanation, see "- Risks Relating to the Financial and Macroeconomic Environment- Our business is highly dependent on Fannie Mae and Freddie Mac and certain U. S. government agencies, and any changes in these entities or their current roles could be detrimental to our business. " While the QM Patch was technically extended until the October 1, 2022 mandatory compliance date of the final amendments to the General QM definition in Regulation Z, the QM Patch was no longer an available route to Qualified Mortgage status as of July 1, 2021 given the applicable revisions to the PSPAs between the FHFA and Department of Treasury. The PSPAs no longer permit Fannie Mae and Freddie Mac to purchase loans under the QM Patch and all such loans must now comply with General QM requirements to be saleable to Fannie Mae and Freddie Mac. We cannot predict what actions the CFPB will take and how it might affect us and other mortgage originators. For a discussion of the risk to our business due to possible changes in the conservatorship status of Fannie Mae and Freddie Mac, see " Business- Government Regulations." Beyond these mortgage- specific initiatives, the CFPB is generally increasing its~~ scrutiny of fee- based business models ~~and so- called " junk fees, " as noted above~~ , fair lending and servicing, and potential misuse of consumer data, ~~all~~ **present ongoing potential operational complexity to meet regulatory requirements. The potential consequences** of ~~which could subject players in~~ **non- compliance with CFPB regulations include enforcement actions, administrative fines, penalties, and** ~~the~~ **other regulatory measures. Routine examinations by the CFPB have increased administrative and compliance costs, influencing the availability and cost of residential** mortgage ~~industry to~~ **credit.** ~~additional~~ **Additionally** ~~rules or supervisory or enforcement scrutiny. Pursuant to its supervisory authority~~ , the ~~CFPB has conducted routine examinations of our business and will conduct future examinations. The~~ CFPB' s ~~examinations have increased, and will likely continue to increase, our administrative and compliance costs. They could also greatly influence the availability and cost of residential mortgage credit and increase servicing costs and risks. These increased costs of compliance, the effect of these rules on the lending industry and loan servicing, and any failure in our ability to comply with the new rules by their effective dates, could be detrimental to our business. The CFPB also issued guidelines on sending examiners to banks and other institutions that service and / or originate mortgages to assess whether consumers' interests are protected. The CFPB has conducted routine examinations of our business and will conduct future examinations. The CFPB also has~~ broad enforcement powers, **including** ~~and can order, among other~~

~~things,~~ rescission or reformation of contracts, ~~the refund of moneys or the return of real property,~~ restitution, disgorgement ~~or compensation for unjust enrichment~~ , ~~the payment of damages or other monetary relief, public notifications regarding violations, limits on activities or functions, remediation of practices, external compliance monitoring and~~ civil money penalties **, and other remedies, pose a significant supervisory enforcement risk** . ~~The CFPB has been active in~~ **We are also supervised by regulatory agencies under state and Canadian law. State attorneys general, state regulators, and state and local consumer protection offices have authority to investigate consumer complaints and to commence** investigations and ~~enforcement actions and, when necessary, has issued civil money penalties to parties the~~ **other formal** ~~CFPB determines has violated the laws~~ and ~~regulations it enforces~~ **informal proceedings regarding our operations and activities** . ~~Our~~ **In addition, the GSEs and the FHFA, Ginnie Mae, the FTC, the HUD, various investors, non- agency securitization trustees, warehouse line providers, and others subject us to periodic reviews. A determination of our** failure to comply with **applicable law or** ~~the~~ **other relevant requirements could lead to enforcement action, administrative fines and penalties, or other administrative action. Any failure to comply with** federal consumer protection laws, ~~rules and regulations to which we are subject,~~ whether actual or alleged, could **result in** ~~expose us to~~ enforcement actions ~~or~~ **,** potential litigation liabilities ~~. The CFPB has in the past and may in the future issue civil investigative demands to our subsidiaries. In addition~~ , ~~the occurrence of one or more of the foregoing events or a determination by any court or regulatory agency that our policies and procedures do not comply with applicable law could impact our business operations. For example, if the violation is related to our servicing operations it could lead to~~ downgrades by one or more rating agencies, a transfer of ~~our~~ servicing responsibilities, increased delinquencies **,** ~~on mortgage loans we service~~ or **other adverse** ~~any combination of these~~ events. **The financial resources** ~~Such a determination could also require~~ **required** ~~us~~ to ~~modify~~ **remediate non- compliance or implement changes to business practices may be substantial, impacting our overall business operations and potentially leading to modifications of** our servicing standards ~~. The expense of complying with new or modified servicing standards may be substantial. Any such changes or revisions may have a material impact on our servicing operations, which could be detrimental to our business~~ . If we are unable to comply with TILA- RESPA Integrated Disclosure (“ TRID ”) rules, our business and operations could be materially and adversely affected and our plans to expand our lending business could be adversely impacted. The CFPB implemented loan disclosure requirements, effective in October 2015, to combine and amend certain TILA and RESPA mortgage disclosures. The TRID rules significantly changed consumer- facing disclosure rules and added certain waiting periods to allow consumers time to shop for and consider the loan terms after receiving the required disclosures. If we fail to comply with the TRID rules, we may be unable to sell loans that we originate or purchase, or we may be required to sell such loans at a discount compared to other loans. We could also be subject to repurchase or indemnification claims from purchasers of such loans, including the GSEs. As regulatory guidance and enforcement and the views of the GSEs and other market participants evolve, we may need to modify further our loan origination processes and systems in order to adjust to evolution in the regulatory landscape and successfully operate our lending business. In such circumstances, if we are unable to make the necessary adjustments, our business and operations could be adversely affected **,** and we may not be able to execute on our plans to grow our lending business. If we do not obtain and maintain the appropriate state licenses, we will not be allowed to do business in some states, which would adversely affect our operations. Our operations are subject to regulation, supervision and licensing under various federal, state and local statutes, ordinances and regulations. In most states in which we operate, a regulatory agency regulates and enforces laws relating to loan servicing companies and loan origination companies such as us. These rules and regulations generally provide for licensing as a loan servicing company, loan origination company, loan marketing company, loan brokering company, debt collection agency or third **-** party default specialist, as applicable, requirements as to the form and content of contracts and other documentation, licensing of employees and employee hiring background checks, restrictions on collection practices, disclosure and record- keeping requirements and enforcement of borrowers’ rights. In most states, we are subject to periodic examination by state regulatory authorities. Some states in which we operate require special licensing or provide extensive regulation of our business. Additionally, due to the geographic scope of our operations and the nature of the services we provide, certain of our subsidiaries may be required to obtain and maintain certain licenses in all states where they operate, including: • Rocket Homes is required to obtain and maintain real estate brokerage licenses. • Amrock is required to obtain and maintain various licenses as a title agent, settlement service provider, and appraisal management company. In addition, individual service providers must also maintain licenses to provide escrow, notary, and appraisal services. Many state licenses are renewed at a regular frequency, typically annually, in order to keep the license in good standing. • Rocket Loans may be required to obtain and maintain new licenses in certain states where such activity previously did not require licensing due to evolving standards in the financial services industry and legislative activity. If we enter new markets, we may be required to comply with new laws, regulations and licensing requirements. As part of licensing requirements, we are typically required to designate individual licensees of record. We cannot ensure that we are in full compliance, and will always remain in full compliance with all licensing laws and regulations, and we may be subject to fines or penalties, including license revocation, for any non ~~-~~**-** compliance. If in the future a state agency were to determine that we are required to obtain additional licenses in that state in order to transact business, or if we lose an existing license or are otherwise found to be in violation of a law or regulation, our business operations in that state may be suspended until we obtain the license or otherwise remedy the compliance issue. We may not be able to maintain all requisite licenses and permits, and the failure to satisfy those and other regulatory requirements could restrict our ability to broker, originate, purchase, sell or service loans ~~, or to finance solar energy equipment~~ . In addition, our failure to satisfy any such requirements relating to servicing of loans could result in a default under our servicing agreements and have a material adverse effect on our operations. ~~Those~~ -- **The** ~~states that currently do not provide extensive regulation of our business may later choose to do so, and if such states so act, we may not be able to obtain or maintain all requisite licenses and permits. Furthermore, the~~ adoption of additional, or the revision of existing, rules and regulations could have a detrimental effect on our business. We are subject to **guidelines,** laws and regulations regarding our use of telemarketing;

a failure to comply with such laws **and guidelines** , including the TCPA, could increase our operating costs and adversely impact our business. We engage in outbound telephone and text communications with consumers, and accordingly must comply with a number of laws and regulations that govern said communications, including the TCPA and Telemarketing Sales Rules. The U. S. Federal Communications Commission (" FCC ") and the FTC have responsibility for regulating various aspects of these laws. Among other requirements, the TCPA requires us to obtain prior express written consent for certain communications and to adhere to " do- not- call " registry requirements which, in part, mandate that we maintain and regularly update lists of consumers who have chosen not to be called and restrict calls to consumers who are on the national do- not- call list. **Additionally, the FCC adopted new rules under the TCPA in December 2023 that in part will require comparison shopping websites and lead generators we work with to obtain a consumer' s prior express written consent one caller at a time, rather than having a single consent apply to multiple callers at once.** Many states have similar consumer protection laws regulating telemarketing. These laws may limit our ability to communicate with consumers and reduce the effectiveness of our marketing programs. The TCPA does not distinguish between voice and data, and, as such, SMS / MMS messages are also " calls " for the purpose of TCPA obligations and restrictions. For violations of the TCPA, the law provides for a private right of action under which a plaintiff may recover monetary damages of $ 500 for each call or text made in violation of the prohibitions on calls made using an " artificial or pre ~~--~~ **-** recorded voice " or an automatic telephone dialing system ~~(" ATDS ")~~ . A court may treble the amount of damages upon a finding of a " willful or knowing " violation. There is no statutory cap on maximum aggregate exposure (although some courts have applied in TCPA class actions constitutional limits on excessive penalties). An action may be brought by the FCC, a state attorney general, an individual, or a class of individuals. Like other companies that rely on telephone and text communications, we are regularly subject to putative, class action suits alleging violations of the TCPA. ~~To date, no such class has been certified.~~ If in the future we are found to have violated the TCPA, the amount of damages and potential liability could be extensive and adversely impact our business. Accordingly, were such a class certified or if we are unable to successfully defend such a suit, as we have in the past, then TCPA damages could have a material adverse effect on our results of operations and financial condition **. We are also subject to the Messaging Principles and Best Practices created by CTIA, a trade association representing the wireless communications industry in the United States. A failure to comply with CTIA guidelines could result in us being temporarily unable to make communications over carrier networks, which could have a material adverse effect on our business** . Changes in tax laws may adversely affect us, and the Internal Revenue Service (the " IRS ") or a court may disagree with our tax positions, which may result in adverse effects on our financial condition or the value of our common stock. The Tax Cuts and Jobs Act (the " TCJA "), enacted on December 22, 2017, significantly affected U. S. tax law, including by changing how the U. S. imposes tax on certain types of income of corporations and by reducing the U. S. federal corporate income tax rate to 21 %. It also imposed new limitations on a number of tax benefits, including deductions for business interest, use of net operating loss carry forwards, taxation of foreign income, and the foreign tax credit, among others. The CARES Act, enacted on March 27, 2020, in response to the COVID- 19 pandemic, further amended the U. S. federal tax code, including in respect of certain changes that were made by the TCJA, generally on a temporary basis. On August 16, 2022, the Inflation Reduction Act of 2022 ~~(the " Inflation Reduction Act ")~~ was enacted, which, among other things, imposed a 15 % minimum tax on book income of certain large corporations, a 1 % excise tax on net stock repurchases made after December 31, 2022 and several tax incentives to promote clean energy. Further proposed tax changes that may be enacted in the future could impact our current or future tax structure and effective tax rates. The federal government has previously proposed other legislation that would further broaden the tax base and limit tax deductions in certain situations. Proposed and future provisions could have a material adverse impact on our tax rate, cash flow, and financial results. There can be no assurance that future tax law changes will not increase the rate of the corporate income tax significantly, impose new limitations on deductions, credits or other tax benefits, or make other changes that may adversely affect our business, cash flows or financial performance. In the absence of additional clarification and guidance from the IRS on certain tax matters, the Company will take positions with respect to a number of unsettled issues. There is no assurance that the IRS or a court will agree with the positions taken by us, in which case tax penalties and interest may be imposed that could adversely affect our business, cash flows or financial performance. In the future, additional guidance may be issued by the IRS, the Department of the Treasury, or other governing body that may significantly differ from our interpretation of the law, which may result in a material adverse effect on our business or financial condition. Our reported financial results may be materially and adversely affected by future changes in accounting principles generally accepted in the United States. U. S. GAAP is subject to standard setting or interpretation by the Financial Accounting Standards Board ~~(" FASB ")~~ , the Public Company Accounting Oversight Board ~~(" PCAOB ")~~ , the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results and could materially and adversely affect the transactions completed before the announcement of a change. A change in these principles or interpretations could also require us to alter our accounting systems in a manner that could increase our operating costs and impact the content of our financial statements. We ~~operate~~ **face multifaceted legal and regulatory risks that pose a significant threat to our business. Operating** in an industry ~~that is~~ highly sensitive to consumer protection, ~~and~~ we are subject to ~~numerous local~~ **various legal actions** , ~~state~~ **including those alleging improper lending, servicing, or marketing practices, as well as violations of consumer protection, securities,** and ~~federal~~ **other** laws ~~and regulations that are continually changing. Remediation for non - compliance with these laws and regulations can be costly and significant fines may be incurred~~ . We are routinely involved in legal proceedings **that may allege issues such as** ~~alleging improper lending, servicing or marketing practices,~~ abusive loan terms ~~and fees~~ , disclosure violations, quiet title actions, improper foreclosure practices, **and** ~~violations of consumer protection, securities or other laws,~~ breach of contract ~~and other related matters~~ . **The** ~~We are also occasionally named as a party in intellectual property litigation. We will incur defense costs and other legal expenses in connection with these lawsuits. Additionally, the final~~ resolution of these actions may **not always** be ~~unfavorable to us, which could be detrimental to~~

~~our business. In cases where the final resolution is~~ favorable ~~to us~~ , **leading** ~~we may still incur a significant amount of legal expenses. In addition~~ to ~~the expense~~ **financial consequences** and **diverting** ~~burden incurred in defending any of these actions and any damages that we may incur, our~~ management ~~' s efforts and~~ attention ~~may be diverted~~ from ~~the~~ ordinary business operations ~~in order to address~~ **. The legal landscape is complex, with numerous local, state, and federal laws and regulations continually evolving. Non- compliance with** these ~~claims~~ **regulations can result in costly remediation and substantial fines** . **Furthermore, even in cases of favorable resolutions, we may still incur significant legal expenses. In addition to legal and regulatory challenges, our business faces** ~~Employment~~ **employment -** ~~litigation and~~ related ~~unfavorable~~ **risks that could result in significant out- of- pocket losses, fines, and negative** publicity ~~could negatively affect our future business~~ . Team members and former team members may ~~, from time to time,~~ bring lawsuits ~~against us regarding injury~~ , ~~creation~~ **including by way** of **example lawsuits alleging** ~~a hostile workplace,~~ discrimination, wage and hour **issues** ~~, team member benefits~~ , sexual harassment ~~, and~~ **or a variety of** other employment **related** issues. **The** ~~In recent years there has been an increase~~ **increasing prevalence** ~~in the number~~ of discrimination and harassment claims **, amplified by** ~~against employers generally. Coupled with the expansion of~~ social media ~~platforms and similar devices that allow individuals access to a broad audience~~ , **heightens** ~~these~~ -- **the potential** ~~claims have had a significant negative impact on some businesses. Companies that have faced employment or~~ **for** ~~harassment- related lawsuits have had to terminate management or other key personnel and have suffered~~ reputational harm ~~that has negatively impacted their businesses~~ . ~~If we experience significant incidents~~ **Incidents** involving employment or harassment- related claims ~~, we~~ could ~~face substantial out-~~ **lead to the termination** of ~~- pocket losses, fines~~ **key personnel and adversely impact** ~~or~~ **our** ~~negative publicity~~ **brand image** . ~~In addition~~ **The combined effect of legal** , ~~such claims may give~~ **regulatory, and employment risks poses a comprehensive threat to our business, impacting financial stability, operational efficiency, and overall reputation. It necessitates ongoing diligence in navigating the evolving legal landscape and implementing effective** ~~rise~~ **risk** ~~to litigation~~ **mitigation strategies** ~~, which may be time consuming, distracting to our management team and costly~~ . We are subject to securities litigation, which may be expensive and may divert management' s attention. Our share price has been, and may in the future be, volatile, and in the past companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We have become the target of this type of litigation ~~and~~ **, first** in June 2021 **,** a class action lawsuit alleging violations of the federal securities laws was filed against us and certain of our directors and officers. **Following the June 2021 class action, several similar lawsuits have been filed.** Lawsuits such as **these may** ~~this one has resulted and will~~ result in other, derivative lawsuits being filed, may be expensive to defend, and may divert our management' s attention from the conduct of our business, which could have an adverse effect on our business. The conduct of the brokers through whom we originate loans could subject us to fines or other penalties. **For certain mortgage transactions, Rocket Mortgage operates as the wholesale lender and works with a third- party mortgage broker to facilitate the loan application.** The brokers through whom we originate loans have parallel and separate legal obligations to which they are subject. While these laws may not explicitly hold the ~~originating~~ lenders responsible for the legal violations of such brokers, U. S. federal and state agencies increasingly have sought to impose such liability. The DOJ, through its use of a disparate impact theory under the FHA, is attempting to hold home loan lenders responsible for the pricing practices of brokers, alleging that the lender is directly responsible for the total fees and charges paid by the borrower even if the lender neither dictated what the broker could charge nor kept the money for its own account. In addition, under the TRID rules, we may be responsible for improper disclosures made to clients by brokers. We may be subject to claims for fines or other penalties based upon the conduct of the independent home loan brokers with which we do business. Risks Relating to Privacy and Intellectual Property The collection, processing, storage, use and disclosure of personal data could give rise to liabilities as a result of governmental regulation, conflicting legal requirements or differing views of personal privacy rights. In the processing of consumer transactions, our businesses receive, transmit and store a large volume of personally identifiable information and **personally identifiable financial information (collectively referred to as " Nonpublic Personal Information " or " NPI ") and** other user data. The collection, sharing, use, disclosure and protection of this information are governed by the privacy and data security policies maintained by us and our businesses. Moreover, there are federal, state and international laws regarding privacy and the storing, sharing, use, disclosure and protection of **NPI** ~~personally identifiable information~~ and user data. Specifically, **NPI** ~~personally identifiable information~~ is increasingly subject to legislation and regulations in numerous jurisdictions around the world, the intent of which is to protect the privacy **and security** of ~~personal~~ **such** information that is collected, processed ~~and~~ **, or** transmitted ~~in or from~~ **related to consumers within** ~~the~~ **their** ~~governing~~ jurisdiction. In the United States, regulations and interpretations concerning **NPI** ~~personally identifiable~~ and data security promulgated by state and federal regulators, including, but not limited to, the CFPB, FTC, NYDFS and CPPA (California' s regulatory body authorized to enforce CPRA), could conflict or give rise to differing views of ~~personal~~ privacy **and security** rights **around NPI** . We could be materially and adversely affected if legislation or regulations are expanded to require changes in business practices or privacy policies, or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our business, financial condition, and results of operations. Our failure, and / or the failure by the various third **-** party vendors and service providers with whom we do business, to comply with applicable ~~privacy policies or~~ federal, state or similar international laws and regulations could damage our reputation or the reputation of these businesses, discourage potential users from our products and services and / or result in fines and / or proceedings by governmental agencies and / or consumers, one or all of which could materially and adversely affect our business, financial condition and results of operations. We could be adversely affected if we inadequately obtain, maintain, protect and enforce our intellectual property and proprietary rights and may encounter disputes from time to time relating to our use of the intellectual property of third parties. Trademarks and other intellectual property and proprietary rights are important to our success and our competitive position. We rely on a combination of trademarks, service marks, copyrights, patents, trade secrets and domain names, as well as confidentiality procedures and contractual provisions to protect our intellectual property and proprietary rights. Despite these measures, third parties may attempt to disclose, obtain, copy or use intellectual property rights owned or licensed by us and these measures may not prevent misappropriation, infringement, reverse engineering or other violation of intellectual property or proprietary rights owned or licensed by us, particularly in foreign countries where laws or enforcement practices may not protect our proprietary rights as fully as in the United States. Furthermore, confidentiality procedures and contractual provisions can be difficult to enforce and, even if successfully enforced, may not be entirely effective. In addition, we cannot guarantee that we have entered into confidentiality agreements with all team members, partners, independent contractors or consultants that have or may have had access to our trade secrets and other proprietary information. Any issued or registered intellectual property rights owned by or licensed to us may be challenged, invalidated, held unenforceable or circumvented in litigation or other proceedings, including re ~~-~~**-** examination, inter partes review, post ~~-~~**-** grant review, interference and derivation proceedings and equivalent proceedings in foreign jurisdictions (e. g., opposition proceedings), and such intellectual property rights may be lost or no longer provide us meaningful competitive advantages. Third parties may also independently develop products, services and technology similar to or duplicative of our products and services. In order to protect our intellectual property rights, we may be required to spend significant resources. Litigation brought to protect and enforce our intellectual property rights could be costly, time consuming and could result in the diversion of time and attention of our management team and could result in the impairment or loss of portions of our intellectual property. Furthermore, attempts to enforce our intellectual property rights against third parties could also provoke these third parties to assert their own intellectual property or other rights against us, or result in a holding that invalidates or narrows the scope of our rights, in whole or in part. Third **-** party misuse of our intellectual property in attempts to defraud our clients and others are often difficult to identify and costly to enforce against. Our failure to adequately address these third parties could result in material harm to our reputation. Our failure to secure, maintain, protect and enforce our intellectual property rights could adversely affect our brands and adversely impact our business. Our success and ability to compete also depends in part on our ability to operate without infringing, misappropriating or otherwise violating the intellectual property or proprietary rights of third parties. We have encountered, and may in the future encounter, disputes from time to time concerning intellectual property rights of others, including our competitors, and we may not prevail in these disputes. Third parties may raise claims against us alleging an infringement, misappropriation or other violation of their intellectual property rights, including trademarks, copyrights, patents, trade secrets or other intellectual property or proprietary rights. Some third **-** party intellectual property rights may be extremely broad, and it may not be possible for us to conduct our operations in such a way as to avoid all alleged infringements, misappropriations or other violations of such intellectual property rights. In addition, former employers of our current, former or future team members may assert claims that such team members have improperly disclosed to us the confidential or proprietary information of these former employers. The resolution of any such disputes or litigations is difficult to predict. Future litigation may also involve non- practicing entities or other intellectual property owners who have no relevant product offerings or revenue and against whom our ownership of intellectual property may therefore provide little or no deterrence or protection. An assertion of an intellectual property infringement, misappropriation or other claim against us may result in adverse judgments, settlement on unfavorable terms or cause us to spend significant amounts to defend the claim, even if we ultimately prevail and we may have to pay significant money damages, lose significant revenues, be prohibited from using the relevant systems, processes, technologies or other intellectual property (temporarily or permanently), cease offering certain products or services, or incur significant license, royalty or technology development expenses. Defending against such claims could be costly, time consuming and could result in the diversion of time and attention of our management team. In addition, although in some cases a third party may have agreed to indemnify us for such infringement, misappropriation or other violation, such indemnifying party may refuse or be unable to uphold its contractual obligations. Risks Relating to our Human Capital We may not be able to hire, train and retain qualified personnel to support our growth, and difficulties with hiring, team member training and other labor issues could adversely affect our ability to implement our business objectives and disrupt our operations. Our operations depend on the work of our approximately ~~18~~ **14** , ~~500~~ **700** team members. Our future success will depend on our ability to continue to hire, integrate, develop and retain highly qualified personnel for all areas of our organization. Any talent acquisition and retention challenges could reduce our operating efficiency, increase our costs of operations and harm our overall financial condition. We could face these challenges if competition for qualified personnel intensifies or the pool of qualified candidates becomes more limited. Additionally, we invest heavily in training our team members, which increases their value to competitors who may seek to recruit them. The inability to attract or retain qualified personnel could have a detrimental impact on cost and performance for our business. We believe that a critical component of our success is our corporate culture and our deep commitment to our mission. We believe this mission- based culture fosters innovation, encourages teamwork and cultivates creativity. Our mission defines our business philosophy as well as the emphasis that we place on our clients, our people and our culture and is consistently reinforced to and by our team members. As we continue to innovate and change in response to market and environmental changes ~~and operate in a hybrid work environment~~ , we may find it difficult to maintain these valuable aspects of our corporate culture and our long- term mission. Any failure to preserve our culture could negatively impact our future success, including our ability to attract and retain team members, encourage innovation and teamwork, and effectively focus on and pursue our mission and corporate objectives. Our future success depends ~~to a significant extent~~ on the continued services of our senior leadership, including our Chief Executive Officer, our President and Chief Operating Officer, our Chief Financial Officer and Treasurer and our General Counsel and Secretary. The experience of our senior leadership is a valuable asset to us and ~~would~~ **could** be difficult to replace ~~, we~~ **. We** do not maintain “ key person ” life insurance for any of our personnel. **During** ~~On February 13,~~ 2023, **we underwent a series** ~~the Company announced that its Chief Executive Officer will retire from his position, effective June 1, 2023. The Board~~ of **leadership** ~~Directors has appointed Bill Emerson, the current Vice Chairman of RHI and former chief executive officer of Rocket Mortgage, as Interim Chief Executive Officer. In addition, on October 3, 2022, the Company announced that its Chief Financial Officer would transition~~ **transitions** ~~into a strategic advisory role and its~~

~~General Counsel and Secretary would retire~~ . These leadership transitions, as well as other future senior management changes, could disrupt and have a detrimental effect on our business. ~~.~~Risks Relating to our Corporate Structure We are a holding company and our principal asset is our equity interests in RKT Holdings, LLC (~~"~~**“** Holdings ~~"~~**”**), and accordingly we are dependent upon distributions from Holdings to pay taxes and other expenses. We are a holding company and our principal asset is our ownership of Holdings. We have no independent means of generating revenue. As the sole managing member of Holdings, we intend to cause Holdings to make distributions to us, RHI and Dan Gilbert, the three equity holders of Holdings, in amounts sufficient to cover the taxes on their allocable share of the taxable income of Holdings, all applicable taxes payable by us, any payments we are obligated to make under the Tax Receivable Agreement and other costs or expenses. However, certain laws and regulations may result in restrictions on Holdings' ability to make distributions to us or the ability of Holdings' subsidiaries to make distributions to it. To the extent that we need funds, and Holdings or its subsidiaries are restricted from making such distributions, we may not be able to obtain such funds on terms acceptable to us or at all and as a result could suffer an adverse effect on our liquidity and financial condition. In certain circumstances, Holdings is required to make distributions to us, RHI and Dan Gilbert, and the distributions that Holdings is required to make may be substantial and in excess of our tax liabilities and obligations under the Tax Receivable Agreement. To the extent we do not distribute or otherwise utilize such excess cash, RHI and Dan Gilbert would benefit from any value attributable to such cash balances as a result of their ownership of Class B common stock (or Class A common stock, as applicable) following an exchange of their Holdings Units and corresponding shares of Class D common stock (or Class C common stock, as applicable). Holdings is treated as a partnership for U. S. federal income tax purposes and, as such, is not subject to any entity- level U. S. federal income tax. Instead, taxable income is allocated to us, RHI and Dan Gilbert, as holders of Holdings Units. Accordingly, we incur income taxes on our allocable share of any net taxable income of Holdings. Under the operating agreement of Holdings (the " Holdings Operating Agreement "), Holdings is generally required from time to time to make pro rata distributions in cash to its equity holders, RHI, Dan Gilbert and us, in amounts sufficient to cover the taxes on their allocable share of the taxable income of Holdings. As a result of (i) potential non pro rata allocations of net taxable income allocable to us, RHI and Dan Gilbert, (ii) the lower tax rate applicable to corporations as compared to individuals, (iii) the favorable tax benefits that we anticipate receiving from the exchange of Holdings Units and corresponding shares of Class D common stock or Class C common stock and future purchases of Holdings Units (along with corresponding shares of Class D common stock or Class C common stock) from RHI and Dan Gilbert and (iv) the favorable tax benefits that we anticipate receiving from payments under the Tax Receivable Agreement, these tax distributions have been, and we expect that they will continue to be in amounts that exceed our tax liabilities and obligations to make payments under the Tax Receivable Agreement. Our board of directors will determine the appropriate uses for any excess cash so accumulated, which in the past has included and may include in the future, stock buybacks, the payment obligations under the Tax Receivable Agreement, the payment of other expenses, the declaration of a stock dividend on our Class A common stock, along with the purchase of a corresponding number of common units in Holdings, and the purchase of additional common units in Holdings, along with a recapitalization of all of the outstanding common units in Holdings. To the extent we do not take such actions and instead, for example, hold such cash balances or lend them to Holdings, RHI and Dan Gilbert would benefit from any value attributable to such cash balances as a result of their ownership of Class B common stock (or Class A common stock, as applicable) following an exchange of their Holdings Units and corresponding shares of Class D common stock (or Class C common stock, as applicable). No adjustments to the present exchange ratio of one- to- one for Holdings Units and corresponding shares of Class D common stock or Class C common stock will be made as a result of (i) any cash distribution by Holdings or (ii) any cash that we retain and do not distribute to our stockholders. We are controlled by RHI, an...... may be suitable for both companies. Our certificate of incorporation provides that no RHI Affiliated Entity nor any officer, director, member, partner or employee of any RHI Affiliated Entity (each, an " RHI Party ") has any duty to refrain from engaging in the same or similar business activities or lines of business, doing business with any of our clients or suppliers or employing or otherwise engaging or soliciting for employment any of our directors, officers or employees. Our certificate of incorporation provides that, to the fullest extent permitted by applicable law, we renounce our right to certain business opportunities, and that each RHI ~~party~~ **Party** has no duty to communicate or offer such business opportunity to us and is not liable to us or any of our stockholders for breach of any fiduciary or other duty under statutory or common law, as a director, officer or controlling stockholder, or otherwise, by reason of the fact that any such individual pursues or acquires such business opportunity, directs such business opportunity to another person or fails to present such business opportunity, or information regarding such business opportunity, to us. The Exchange Agreement provides that these provisions of our certificate of incorporation may not be amended without RHI' s consent for so long as RHI holds any Holdings Units. These provisions of our certificate of incorporation create the possibility that a corporate opportunity of ours may be used for the benefit of the RHI Affiliated Entities. We are required to pay RHI and Dan Gilbert for certain tax benefits we may claim, and the amounts we may pay could be significant. We are parties to a Tax Receivable Agreement with RHI and Dan Gilbert that provides for the payment by us to RHI and Dan Gilbert (or their transferees of Holdings Units or other assignees) of 90 % of the amount of cash savings, if any, in U. S. federal, state and local income tax or franchise tax that we actually realize (computed using simplifying assumptions to address the impact of state and local taxes) as a result of: (i) certain increases in our allocable share of the tax basis in Holdings' assets resulting from (a) the purchases of Holdings Units (along with the corresponding shares of our Class D common stock or Class C common stock) from RHI and Dan Gilbert (or their transferees of Holdings Units or other assignees) using the net proceeds from our initial public offering or in any future offering, (b) exchanges by RHI and Dan Gilbert (or their transferees of Holdings Units or other assignees) of Holdings Units (along with the corresponding shares of our Class D common stock or Class C common stock) for cash or shares of our Class B common stock or Class A common stock, as applicable, or (c) payments under the Tax Receivable Agreement; (ii) tax benefits related to imputed interest deemed arising as a result of payments made under the Tax Receivable Agreement; and (iii) disproportionate allocations (if any) of tax benefits to Holdings as a result of section 704 (c) of the Internal Revenue Code of 1986, as amended ~~(the " Code ")~~ that relate to the reorganization transactions. The Tax Receivable Agreement makes certain simplifying assumptions regarding the determination of the cash savings that we realize or are deemed to realize from the covered tax attributes, which may result in payments pursuant to the Tax Receivable Agreement in excess of those that would result if such assumptions were not made. The actual tax benefit, as well as the amount and timing of any payments under the Tax Receivable Agreement, will vary depending upon a number of factors, including, among others, the timing of exchanges by or purchases from RHI and Dan Gilbert, the price of our Class A common stock at the time of the exchanges or purchases, the extent to which such exchanges are taxable, the amount and timing of the taxable income we generate in the future and the tax rate then applicable, and the portion of our payments under the Tax Receivable Agreement constituting imputed interest. Future payments under the Tax Receivable Agreement could be substantial. Of the $ ~~613~~ **584** . 7 million Tax receivable agreement liability recorded, we estimate that, as a result of the amount of the increases in the tax basis in Holdings' assets from the purchase of Holdings Units (along with the corresponding shares of our Class D common stock) in connection with the initial public offering, the over- allotment option (Greenshoe), and the March 2021 paired interest exchange, assuming no material changes in the relevant tax law and that we will have sufficient taxable income to utilize all of the tax attributes covered by the Tax Receivable Agreement when they are first available to be utilized under applicable law, future payments to RHI and Dan Gilbert under the Tax Receivable Agreement would aggregate to approximately $ ~~267~~ **301** . ~~6~~ **3** million over the next 20 years and for yearly payments over that time to range between zero to $ ~~40~~ **25** . 0 million per year. Future payments under the Tax Receivable Agreements in respect of subsequent purchases or exchanges of Holdings Units (along with the corresponding shares of Class D common stock or Class C common stock) would be in addition to these amounts. The payments under the Tax Receivable Agreement are not conditioned upon RHI' s or Dan Gilbert' s continued ownership of us. There is a possibility that under certain circumstances not all of the 90 % of the applicable cash savings will be paid to the selling or exchanging holder of Holdings Units at the time described above. If we determine that such circumstances apply and all or a portion of such applicable tax savings is in doubt, we will pay to the holders of such Holdings Units the amount attributable to the portion of the applicable tax savings that we determine is not in doubt and pay the remainder at such time as we reasonably determine the actual tax savings or that the amount is no longer in doubt. In addition, RHI and Dan Gilbert (or their transferees or other assignees) will not reimburse us for any payments previously made if any covered tax benefits are subsequently disallowed, except that any excess payments made to RHI or Dan Gilbert (or such holder' s transferees or assignees) will be netted against future payments that would otherwise be made under the Tax Receivable Agreement with RHI and Dan Gilbert, if any, after our determination of such excess. We could make payments to RHI and Dan Gilbert under the Tax Receivable Agreement that are greater than our actual cash tax savings and may not be able to recoup those payments, which could negatively impact our liquidity. In addition, the Tax Receivable Agreement provides that in the case of a change in control of the Company or a material breach of our obligations under the Tax Receivable Agreement, we are required to make a payment to RHI and Dan Gilbert in an amount equal to the present value of future payments (calculated using a discount rate equal to the lesser of 6. 50 % or a rate based on the benchmark rate used to determine pricing or interest rates in a majority of our then- outstanding repurchase or warehouse agreements or other financing arrangements providing for the financing of mortgage loans plus 100 basis points, which may differ from our, or a potential acquirer' s, then- current cost of capital) under the Tax Receivable Agreement, which payment would be based on certain assumptions, including those relating to our future taxable income. In these situations, our obligations under the Tax Receivable Agreement could have a substantial negative impact on our, or a potential acquirer' s, liquidity and could have the effect of delaying, deferring, modifying or preventing certain mergers, asset sales, other forms of business combinations or other changes of control. These provisions of the Tax Receivable Agreement may result in situations where RHI and Dan Gilbert have interests that differ from or are in addition to those of our other stockholders. In addition, we could be required to make payments under the Tax Receivable Agreement that are substantial, significantly in advance of any potential actual realization of such further tax benefits, and in excess of our, or a potential acquirer' s, actual cash savings in income tax. Finally, because we are a holding company with no operations of our own, our ability to make payments under the Tax Receivable Agreement is dependent on the ability of our subsidiaries to make distributions to us. Our debt agreements may restrict the ability of our subsidiaries to make distributions to us, which could affect our ability to make payments under the Tax Receivable Agreement. To the extent that we are unable to make payments under the Tax Receivable Agreement as a result of restrictions in our debt agreements, such payments will be deferred and will accrue interest until paid, which could negatively impact our results of operations and could also affect our liquidity in periods in which such payments are made. Our organizational documents may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their shares. Provisions of our certificate of incorporation and our bylaws may make it more difficult for, or prevent a third party from, acquiring control of us without the approval of our board of directors. These provisions include: • having a dual class common stock structure, which provides RHI with the ability to control the outcome of matters requiring stockholder approval, even if it beneficially owns significantly less than a majority of the shares of our outstanding common stock; • having a classified board of directors; • providing that, when the RHI Affiliated Entities and permitted transferees (collectively, the " RHI Parties ") beneficially own less than a majority of the combined voting power of the common stock, a director may only be removed with cause by the affirmative vote of 75 % of the combined voting power of our common stock; • providing that, when the RHI Parties beneficially own less than a majority of the combined voting power of our common stock, vacancies on our board of directors, whether resulting from an increase in the number of directors or the death, removal or resignation of a director, will be filled only by our board of directors and not by stockholders; • providing that, when the RHI Parties beneficially own less than a majority of the combined voting power of our common stock, certain amendments to our certificate of incorporation or amendments to our bylaws will require the approval of 75 % of the combined voting power of our common stock; • prohibiting stockholders from calling a special meeting of stockholders; • authorizing stockholders to act by written consent only until the RHI Parties cease to beneficially own a majority of the combined voting power of our common stock; • establishing advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted on by stockholders at stockholder meetings; • authorizing " blank check " preferred stock, the terms and issuance of which can be determined by our board of directors without any need for action by stockholders; and • providing that the decision to transfer our corporate headquarters outside of Detroit, Michigan will require the approval of 75 % of the combined voting power of our common stock. Additionally, Section 203 of the Delaware General Corporation Law (the " DGCL ") prohibits a publicly held Delaware corporation from engaging in a business combination with an interested stockholder, unless the business combination is approved in a prescribed manner. An interested stockholder includes a person, individually or together with any other interested stockholder, who within the last three years has owned 15 % of our voting stock. We opted out of Section 203 of the DGCL, but our certificate of incorporation includes a provision that restricts us from engaging in any business combination with an interested stockholder for three years following the date that person becomes an interested stockholder. Such restrictions, however, do not apply to any business combination between RHI, any direct or indirect equity holder of RHI or any person that acquires (other than in connection with a registered public offering) our voting stock from RHI or any of its affiliates or successors or any " group, " or any member of any such group, to which such persons are a party under Rule 13d- 5 of the **Securities** Exchange Act **of 1934, as amended (the " Exchange Act ")** and who is designated in writing by RHI as an " RHI Transferee, " on the one hand, and us, on the other. Until the RHI Parties cease to beneficially own at least 50 % of the voting power of our common stock, RHI will be able to control all matters requiring stockholder approval, including the election of directors, amendment of our certificate of incorporation and certain corporate transactions. Together, these provisions of our certificate of incorporation and bylaws could make the removal of management more difficult and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our Class A common stock. Furthermore, the existence of the foregoing provisions, as well as the significant Class A common stock beneficially owned by RHI, could limit the price that investors might be willing to pay in the future for shares of our Class A common stock. They could also deter potential acquirers of us, thereby reducing the likelihood that you could receive a premium for your Class A common stock in an acquisition. The provision of our certificate of incorporation requiring exclusive forum in certain courts in the State of Michigan or the State of Delaware or the federal district courts of the United States for certain types of lawsuits may have the effect of discouraging lawsuits against our directors and officers. Our certificate of incorporation requires, to the fullest extent permitted by law, that (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or stockholders to us or our stockholders, (iii) any action asserting a claim against us arising pursuant to any provision of the DGCL or our certificate of incorporation or our bylaws or (iv) any action asserting a claim against us governed by the internal affairs doctrine has to be brought only in the Third Judicial Circuit, Wayne County, Michigan (or, if the Third Judicial Circuit, Wayne County, Michigan lacks jurisdiction over such action or proceeding, then another state court of the State of Michigan or, if no state court of the State of Michigan has jurisdiction, the United States District Court for the Eastern District of Michigan) or the Court of Chancery of the State of Delaware (or if the Court of Chancery of the State of Delaware lacks jurisdiction, any other state court of the State of Delaware, or if no state court of the State of Delaware has jurisdiction, the federal district court for the District of Delaware), unless we consent in writing to the selection of an alternative forum. The foregoing provision does not apply to claims arising under the Securities Act, the ~~Securities~~ Exchange Act ~~of 1934, as amended (the " Exchange Act ")~~ or other federal securities laws for which there is exclusive federal or concurrent federal and state jurisdiction. Additionally, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Although we believe these exclusive forum provisions benefit us by providing increased consistency in the application of Delaware or Michigan law and federal securities laws in the types of lawsuits to which each applies, the exclusive forum provisions may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers or stockholders, which may discourage lawsuits with respect to such claims. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder as a result of our exclusive forum provisions. Further, in the event a court finds either exclusive forum provision contained in our certificate of incorporation to be unenforceable or inapplicable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results and financial condition. **RHI, an entity controlled by Dan Gilbert, our founder and Chairman, holds 93. 2 % of our issued and outstanding Class D common stock and controls 79 % of the combined voting power of our common stock.** As ~~. As~~ a result,RHI is able to control any action requiring the general approval of our stockholders,so long as it owns at least 10 % of our issued and outstanding common stock,including the election of our board of directors,the adoption of amendments to our certificate of incorporation and bylaws and the approval of any merger or sale of substantially all of our assets.So long as RHI continues to directly or indirectly own a significant amount of our equity,even if such amount is less than a majority of the combined voting power of our common stock,RHI will continue to be able to substantially influence the outcome of votes on all matters requiring approval by the stockholders,including our ability to enter into certain corporate transactions.The interests of RHI could conflict with or differ from our interests or the interests of our other stockholders.For example,the concentration of ownership held by RHI could delay,defer or prevent a change of control of our Company or impede a merger,takeover or other business combination that may otherwise be favorable for us. ~~We share~~ **In addition,as** long as RHI continues to control a majority of the voting power of our outstanding voting stock, we will be a controlled company within the meaning of the Exchange rules. Under the Exchange rules, a company of which more than 50 % of the voting power is held by another person or group of persons acting together is a controlled company and may elect not to comply with certain corporate governance requirements, including the requirements that: • a majority of the board of directors consist of independent directors; • the nominating and corporate governance committee be composed entirely of independent directors; and • the compensation committee be composed entirely of independent directors. These requirements will not apply to us as long as we remain a controlled company. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the Exchange ~~. The obligations associated with being a public company require significant resources and management attention, and we have and will continue to incur increased costs as a result of being a public company. We face increased legal, accounting, administrative, and other costs and expenses related to operating as a public company. We are subject to the Securities Act of 1933, the Securities Exchange Act of 1934, the rules and regulations implemented by the SEC, the Sarbanes- Oxley Act, the Dodd- Frank Act, the Public Company Accounting Oversight Board, and the listing requirements of the NYSE, each of which imposes additional reporting and other obligations on public companies. These rules and regulations and changes in laws, regulations and standards relating to corporate governance and public disclosure, have and will continue to increase our legal and financial compliance costs, make some activities more time consuming and costly, and may result in a strain on our systems and resources. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. In addition, the demands associated with being a public company may disrupt regular operations of our business by diverting the attention of some of our leadership away from revenue- producing activities. The increase in administrative expenses and a diversion of our leadership from revenue- generating activities may have an adverse effect on our business, financial condition, and results of operations~~ . Risks Related to Ownership of Our Class A Common Stock A material weakness in our control environment could have a material adverse effect on us including an inability to accurately or timely report our financial results and our stock price could be adversely affected. Our ability to comply with the annual internal control reporting requirements will depend on the effectiveness of our financial reporting and data systems and controls across the Company. These systems and controls involve significant expenditures and become increasingly complex as our business grows. To effectively manage this complexity, we need to continue to improve our operational, financial and management controls and our reporting systems and procedures. Effective internal controls are necessary for us to provide reasonable assurance with respect to our financial reports and operating results, adequately mitigate the risk of fraud and protect our reputation. Internal controls over financial reporting may not prevent or detect misstatements because of its inherent limitations, including the possibility of human error, the circumvention or overriding of controls, or fraud. Therefore, even effective internal controls can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements. In addition, projections of any evaluation of effectiveness of internal control over financial reporting to future periods are subject to the risk that the control may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Any weaknesses or deficiencies or any failure to implement required new or improved controls, or difficulties encountered in the implementation or operation of these controls, could harm our operating results and cause us to fail to meet our financial reporting obligations or result in material misstatements in our financial statements, which could adversely affect our business and reduce our stock price. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company' s annual or interim financial statements will not be prevented or detected on a timely basis. A material weakness in our internal control over financial reporting could adversely impact our ability to provide timely and accurate financial information. If we are unable to report financial information timely and accurately or to maintain effective disclosure controls and procedures, we could adversely affect our business prospects. The U. S. federal income tax treatment of distributions on our Class A common stock to a holder will depend upon our tax attributes and the holder' s tax basis in our stock, which are not necessarily predictable and can change over time. Distributions of cash or other property on our Class A common stock, if any, will constitute dividends for U. S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits (" E & P "), as determined under U. S. federal income tax principles, and generally be taxable to holders of our Class A common stock as ordinary dividend income for U. S. federal income tax purposes (to the extent of our current and accumulated E & P). E & P should not be confused with earnings or net income under GAAP. To the extent those distributions exceed our current and accumulated E & P, the distributions will be treated as a non- taxable return of capital to the extent of the holder' s tax basis in our Class A common stock, which will reduce a holder' s tax basis in the Class A common stock, and thereafter as capital gain from the sale or exchange of such common stock. Also, if any holder sells our Class A common stock, the holder will recognize a gain or loss equal to the difference between the amount realized and the holder' s tax basis in such Class A common stock. Consequently, such excess distributions will result in a corresponding increase in the amount of gain, or a corresponding decrease in the amount of loss, recognized by the holder upon the sale of the Class A common stock or subsequent distributions with respect to such stock. Additionally, with regard to U. S. corporate holders of our Class A common stock, to the extent that a distribution on our Class A common stock exceeds both our current and accumulated E & P and such holder' s tax basis in such shares, such holders would be unable to utilize the corporate dividends- received deduction (to the extent it would otherwise be applicable to such holder) with respect to the gain resulting from such excess distribution. Further, after we initially report the expected tax characterization of distributions we have paid, the actual characterization, which is not determined with finality until after the end of the tax year in which the distribution occurs, could vary from our expectation with the result that holders of our common stock could incur different income tax liabilities than initially expected. Investors in our Class A common stock are encouraged to consult their tax advisors as to the tax consequences of receiving distributions on our Class A common stock that are not treated as dividends for U. S. federal income tax purposes. Future sales of our common stock, or the perception in the public markets that these sales may occur, may depress the price of our Class A common stock. Sales of a substantial number of shares of our common stock in the public market, or the perception that such sales may occur, could have an adverse effect on our stock price and could impair our ability to raise capital through the sale of additional stock. In the future, we may attempt to obtain financing or to further increase our capital resources by issuing additional shares of our common stock. Issuing additional shares of our Class A common stock, Class B common stock or other equity securities or securities convertible into equity may dilute the economic and voting rights of our existing stockholders or reduce the market price of our Class A common stock or both. Issuing additional shares of our Class C common stock or Class D common stock, when issued with corresponding Holdings Units, may also dilute the economic and voting rights of our existing stockholders or reduce the market price of our Class A common stock or both. As of February ~~22~~ **20**, ~~2023~~ **2024**, we had ~~124~~ **136**, ~~859~~ **759**, ~~705~~ **932** shares of Class A Common Stock outstanding and 1, 848, 879, 483 shares of Class A Common Stock issuable upon potential exchanges and / or conversions. Of these shares, 1, ~~849~~ **851**, ~~013~~ **419**, ~~355~~ **392** are " restricted securities, " as that term is defined under Rule 144 of the Securities Act. The holders of these " restricted securities " are entitled to dispose of their shares pursuant to (i) the applicable holding period, volume and other restrictions of Rule 144 or (ii) another exemption from registration under the Securities Act. Additional sales of a substantial number of our shares of Class A Common Stock in the public market, or the perception that sales could occur, could have a material adverse effect on the price of our Class A Common Stock. We have filed ~~a~~ registration ~~statement~~ **statements** under the Securities Act registering ~~152~~ **178**, ~~122~~ **166**, ~~012~~ **346** shares of our Class A common stock reserved for issuance under the 2020 Omnibus Incentive Plan and our Team Member Stock Purchase Plan ~~(" TMSPP ")~~ **. As of February 20, 2024, we had 144, 838, 312 shares of our Class A common stock reserved for issuance under the 2020 Omnibus Incentive Plan and our Team Member Stock Purchase Plan**. We have entered into a Registration Rights Agreement pursuant to which we have granted demand and piggyback registration rights to RHI, Dan Gilbert and the affiliates of Dan Gilbert. The price of our Class A common stock has been, and may in the future be, volatile and your investment in our common stock could suffer a decline in value. The market price for our Class A common stock has been, and may in the future be, volatile and could fluctuate significantly in response to a number of factors, most of which we cannot control. These factors include, among others, intense competition in the markets we serve; failure to accurately predict the demand or growth of new financial products and services that we are developing; fluctuations in quarterly revenue and operating results, as well as differences between our actual financial and operating results and those expected by investors; the public' s response to press releases or other public announcements by us or third parties, including our filings with the SEC; announcements relating to litigation; guidance, if any, that we provide to the public, any changes in such guidance or our failure to meet such guidance; changes in financial estimates or ratings by any securities analysts who follow our Class A common stock, our failure to meet such estimates or failure of those analysts to initiate or maintain coverage of our Class A common stock; the sustainability of an active trading market for our Class A common stock; investor perceptions of the investment opportunity associated with our Class A common stock relative to other investment alternatives; the inclusion, exclusion or deletion of our Class A stock from any trading indices; future sales of our Class A common stock by our officers, directors and significant stockholders; the effect on our business and results of operations from system failures and disruptions, hurricanes, wars, acts of terrorism, pandemics, other natural disasters or responses to such events; novel and unforeseen market forces and trading strategies by third parties **; events or commentary reported in the media**, including ~~those who post anonymously on~~ social media **, whether or not accurate or involving us, that may create, amplify and / or rapidly spread negative publicity for us or for the industry or markets in which we operate**; short selling of our Class A common stock or related derivative securities; and price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole. These broad market and industry factors may seriously harm the market price of our Class A common stock, regardless of our operating performance. In the past, stockholders have instituted securities class action litigation following periods of market volatility. We have been, and may in the future be, subject to securities litigation, which may cause us to incur substantial costs and resources and divert the attention of management from our business. ~~In July 2017, S & P, Dow Jones and FTSE Russell announced changes to their eligibility criteria for the inclusion of shares of public companies on certain indices, including the Russell 2000, the S & P 500, the S & P MidCap 400 and the S & P SmallCap 600, to exclude companies with multiple classes of shares of common stock from being added to these indices. As a result, our dual class capital structure would make us ineligible for inclusion in any of these indices, and mutual funds, exchange- traded funds and other investment vehicles that attempt to passively track these indices will not be investing in our stock. Furthermore, we cannot assure you that other stock indices will not take a similar approach to S & P Dow Jones or FTSE Russell in the future. Exclusion from indices could make our Class A common stock less attractive to investors and, as a result, the market price of our Class A common stock could be adversely affected.~~ Risks Related to the COVID- 19 Pandemic The COVID- 19 pandemic **may continue** ~~, the actions taken~~ to ~~mitigate the impact of the pandemic on consumers, and the inflationary pressures as a result of the pandemic have~~ adversely ~~affected~~ -- **affect** our ~~ability to generate~~ business ~~, including our ability to originate~~ and ~~service mortgages~~ **require that we navigate evolving compliance obligations stemming from executive, legislative, and regulatory responses to it**. The COVID- 19 pandemic **, along with measures taken to mitigate its impact and resulting inflationary pressures,** has ~~had~~ **significantly hindered our ability to generate business**, **affecting mortgage origination** and ~~has the~~ **servicing. The pandemic' s ongoing and** potential **future** ~~to continue to have, a significant~~ impact on the national economy, consumer behavior, **and** team member **productivity remains uncertain** ~~behavior, and the communities in which we operate~~. The ~~potential for persistent impact of COVID- 19 and / or new COVID- 19 variants that may emerge cannot be predicted at this time. There is significant uncertainty regarding the extent to which and how long the COVID- 19 pandemic may reemerge with significant impact and if new related government directives, actions and economic relief efforts will affect the core aspects of our business, including the origination of mortgages and our servicing operations. Such effects, if they continue for a prolonged period, may have a material adverse effect on our business and results of operation and may continue to adversely affect us during fiscal year 2023 and possibly longer. Following the inflationary pressures resulting from the pandemic, the U. S.~~ Federal Reserve ~~has announced several~~ **' s response to inflation, including** significant increases in the federal funds rate ~~for the first~~

~~time since 2018~~ , ~~which in turn~~ has ~~increased~~ **led to higher** home mortgage interest rates ~~. As a result of this higher interest rate environment~~ , **reducing** demand for new mortgage originations and refinancings **. While the origination** of ~~existing~~ mortgages ~~have decreased and costs for home loan and other financing options have risen. For additional information about the impacts of interest rates on our business, see Risks Relating to the Financial and Macroeconomic Environment- Our business is significantly impacted by interest rates. Changes in prevailing interest rates or U. S. monetary policies that affect interest rates have and may continue to have a detrimental effect on our business. The COVID- 19 pandemic has impacted and could continue to impact our origination of mortgages. While the origination of a mortgage~~ has not been restricted by past ~~state or local~~ pandemic- related orders, potential future government restrictions and closings ~~could~~ **may** impact our ~~business~~ operations ~~that depend~~ **, including dependencies** on third parties ~~such as appraisers, closing agents, local recording offices,~~ and ~~others~~ - **other challenges including** ~~for loan- related services and / or verifications. While we are no longer dealing with shelter in place or similar pandemic- related orders, we are still working through COVID- 19 impacts, such as~~ mortgage recording delays ~~and consumer income instability. In addition, productivity of our team members has been and may continue to be impacted by new COVID- 19 variants and the desire for more remote work flexibility~~ . The **evolving** ~~impact on home sales and future growth is uncertain. Any slowdown may materially decrease the number and volume of mortgages we originate. Federal, state, and local~~ executive, legislative **,** and regulatory responses ~~to the COVID- 19 pandemic may continue to evolve, may not be consistent in scope or application, and are subject to change without advance notice. Such efforts~~ may impose additional compliance obligations, ~~which may~~ negatively ~~impact our~~ **affecting both** mortgage origination and servicing ~~business~~ . **Unintended consequences** ~~Any additional legal or regulatory responses to the COVID- 19 pandemic may unfavorably restrict our business operations~~ , **such as liquidity pressures** ~~alter our established business practices, and otherwise raise our compliance costs. The executive, legislative and regulatory reaction to the COVID- 19 pandemic, including the passage of the CARES Act, poses evolving compliance obligations~~ on **servicers** ~~our business~~ , and **potential litigation risks further contribute** ~~we may experience unfavorable changes in or failure~~ to ~~comply with existing or future~~ **the intricate landscape. While** ~~regulations~~ - **regulators focus** ~~and laws adopted in response to COVID- 19. Due to the unprecedented effect of the COVID- 19 pandemic~~ on ~~major sectors of the U. S. economy, numerous states and the federal government adopted measures requiring mortgage servicers to work with consumers negatively impacted by the pandemic. The CARES Act imposes several compliance obligations on our mortgage servicing activities, including, but not limited to mandatory forbearance offerings, altered credit reporting obligations, and late fee assessment restrictions. Many states have taken and continue to take similar measures to provide mortgage payment and other relief to consumers, which create additional complexity around our mortgage servicing compliance activities. With the urgency to help consumers, the expedient passage of the CARES Act increases the likelihood of unintended consequences from the legislation. An example of such unintended consequences is the liquidity pressure placed on mortgage servicers given our contractual obligation to continue to advance payments to investors on loans in forbearance where consumers are not making their typical monthly mortgage payments. Moreover, certain provisions of the CARES Act are subject to interpretation given the existing ambiguities in the legislation, which creates regulatory enforcement, class action, and other litigation risk. While temporary Regulation X loss mitigation procedural safeguards that prohibited the initiation of foreclosure expired at the end of 2021, servicers will face additional compliance risk with the patch- work implementation of the 50- state programs of the Homeowners Assistance Fund that provides additional opportunity for relief for consumers to avoid foreclosure. As the effects of the pandemic continue to evolve or reemerge, additional changes in the regulatory landscape may pose additional operational risk for servicers. Although much of the executive, legislative and regulatory actions stemming from COVID- 19 are~~ servicing- centric ~~, regulators are adjusting~~ compliance obligations **, adjustments** impacting ~~our~~ mortgage origination activities **, including** ~~. Many states have adopted temporary or permanent~~ measures allowing ~~for otherwise prohibited~~ remote ~~mortgage~~ loan origination ~~activities. While these measures allow us to continue to do business remotely~~ , **introduce** ~~they impose notice, procedural, and other compliance obligations on our origination activity. Federal, state, and local executive legislative and regulatory responses to the COVID- 19 pandemic continue to evolve, not consistent in scope or application, and subject to change without advance notice. Such efforts may impose~~ additional compliance obligations ~~, which may negatively impact our mortgage origination and servicing business~~ . **The ongoing evolution of** ~~Any additional legal or regulatory~~ responses ~~to~~ **at** the ~~COVID- 19 pandemic~~ **federal, state, and local levels, marked by inconsistency and subject to change without notice,** may unfavorably restrict our ~~business~~ operations, alter ~~our~~ established ~~business~~ practices, and ~~otherwise~~ raise ~~our~~ compliance costs.