



**FINANCE *of* AMERICA**  
COMPANIES®

2021

# Environmental, Social and Governance REPORT

# TABLE OF CONTENTS

<b>Message from our CEO</b>	3
<b>About This Report</b>	4
<b>About Finance of America</b>	5
<b>Our Environmental, Social and Governance Approach</b>	6
<b>Our Environmental Impact</b>	
Minimizing the Environmental Impact of our Operations	7
Managing Weather-Related Risks in our Portfolio	8
Our Focus on Products with Positive Environmental Impact	9
<b>Our Social Impact</b>	
<b>Our Commitment to our Workforce</b>	
Diversity, Equity and Inclusion   DEI	10
Employee Engagement	12
Employee Benefits and Wellness	12
Employee Training and Development	15
Company and Employee Recognition	16
<b>Our Commitment to our Communities</b>	
Philanthropy and Community Engagement	17
Our Commitment to Sustainable Homeownership	21
Our Commitment to Improving the Existing Housing Stock	26
Our Commitment to Responsible Servicing	26
<b>The Impact of Strong Corporate Governance</b>	
Our Corporate Governance Structure	28
Our Board of Directors	29
Regulatory Compliance	33
Enterprise Risk Management	34
Code of Business Conduct and Ethics	34
Whistleblower Policy and Ethics Hotline	35
Executive Compensation	36
Cybersecurity and Data Privacy	37
<b>Contact Us</b>	39

# MESSAGE FROM OUR CEO

I have the privilege to serve as the CEO of Finance of America Companies. As a public company, we are committed to creating long-term value for our stakeholders. We recognize the beneficial impact that appropriate environmental, social and governance goals may have on our business. At Finance of America, we are focused on creating a positive experience for our customers and employees while building value for our investors.

This is our first Environmental, Social and Governance (ESG) Report and it is intended to be a companion to our 2021 Annual Report to Stockholders and the 2021 Finance of America Companies Inc. Definitive Proxy Statement.

We recognize the importance of managing the environmental impact of our operations; the potential of our businesses to improve our environment and help consumers achieve more energy efficiency in their homes; the power of diversity, equity and inclusion for both our workforce and our customer base; and the significance of regulatory compliance and good corporate governance for our business.

In 2021, we established an ESG Task Force to formalize our commitment to corporate responsibility issues, including impacts on our business resulting from environmental, social responsibility and governance policies and practices. As part of those efforts, we are designing and implementing numerous enterprise-wide programs and initiatives designed to support our ESG goals.

- We strive to foster a culture of inclusion that empowers employees from diverse backgrounds and experiences to connect, contribute and realize their full potential.
- We are dedicated to extending the opportunity for sustainable homeownership to all Americans.
- We are passionate about making it possible for seniors with sufficient equity in their homes to remain in their homes for as long as they are physically able to do so.
- Through our charitable endeavors, we promote employees' financial and volunteer support of their communities. We also provide a free web portal to connect homeowners suffering financial hardship or distress with relevant programs and resources.
- We fully integrate sound corporate governance principles and the highest ethical standards into all aspects of our business starting with our Board and executive leadership.

We are proud of what we have built in our eight-year history but recognize that there is much more we can accomplish. We look forward to finding more avenues to fulfilling our commitment to the environment, our employees and our communities.

**Patricia L. Cook**  
Chief Executive Officer  
Finance of America Companies



# ABOUT THIS REPORT

This Finance of America ESG Report (this Report) will focus on ESG factors relevant to our business operations and their impact on our borrowers and surrounding communities. By sharing this Report with you, we hope to provide increased transparency around our sustainability practices while demonstrating how our business creates long-term value for our customers, employees, shareholders, investors and other stakeholders.

We plan to issue an updated Report periodically, further demonstrating our commitment to disclosure transparency and to empowering our customers' financial independence through sustainable homeownership. The highlights shared in this Report represent the 2021 fiscal year. To view this Report online, please visit our Investor Relations website at <https://ir.financeofamerica.com/esg>.

This Report includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the U.S. Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical facts or statements of current conditions, but instead represent only management’s beliefs regarding future events, many of which, by their nature, are inherently uncertain and outside of the Company’s control. It is possible that our actual results, financial condition and liquidity may differ, possibly materially, from the anticipated results, financial condition and liquidity in these forward-looking statements. The Company’s actual results may differ from its expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as “expect,” “estimate,” “project,” “budget,” “forecast,” “anticipate,” “intend,” “plan,” “may,” “will,” “could,” “should,” “believes,” “predicts,” “potential,” “continue” and similar expressions (or the negative versions of such words or expressions) are intended to identify such forward-looking statements. The Company cautions readers not to place undue reliance upon any forward-looking statements, which are current only as of the date of this Report. Results for any specified period are not necessarily indicative of the results that may be expected for the full year or any future period. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions, or circumstances on which any such statement is based, except as required by law. Such forward-looking statements are subject to various risks and uncertainties including, among others, the effect of the COVID-19 pandemic on the Company’s business; changes in prevailing interest rates or U.S. monetary policies that affect interest rates that may have a detrimental effect on our business; the possibility that the Company may be adversely affected by other economic, business and/or competitive factors in our markets; our ability to obtain sufficient capital to meet the financing requirements of our business; the use of estimates in measuring or determining the fair value of the majority of our assets and liabilities; the possibility of disruption in the secondary home loan market, including the mortgage-backed securities market; and other risks and uncertainties set forth in the section entitled “Item 1A. Risk Factors” included in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the Securities and Exchange Commission (SEC) on March 15, 2022, and as such factors may be amended and updated from time to time in the Company’s subsequent periodic filings with the SEC, which are accessible on the SEC’s website at [www.sec.gov](http://www.sec.gov). Accordingly, there are or will be important factors that could cause actual outcomes or results to differ materially from those indicated in these statements. These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in this Report and in the Company’s filings with the SEC.

# ABOUT FINANCE OF AMERICA

**Finance of America Companies** (NYSE: FOA) (“Finance of America,” the “Company,” “we,” “our” or “us”) is a high-growth, consumer and specialty lending business. Our product offerings include traditional residential mortgages, reverse mortgages, and loans to residential real estate investors distributed across retail, third-party and digital channels. In addition, we offer complementary lender services to enhance the customer experience, as well as capital markets and portfolio management capabilities to optimize distribution to investors.

Finance of America is principally focused on residential mortgage loan products, including reverse mortgages, throughout the U.S. Our products include both loans to homeowners and investors in residential real estate.

We have built a distribution network that allows our customers to interact with us through their preferred method: in person, via a broker or digitally. Our Lender Services segment supports a range of financial institutions, including our lending companies, with services such as title insurance and settlement services, appraisal management, valuation and brokerage services, fulfillment services, and technology platforms for student loans and consumer loans. Our Portfolio Management segment provides structuring and product development expertise, allowing innovation and improved visibility to execution for our originations, as well as broker/dealer and institutional asset management capabilities.

Our core businesses are inherently supportive of many ESG objectives.

**Finance of America Mortgage** (Mortgage), our traditional mortgage segment, provides financing for home purchases and refinancing through a wide range of programs. While the majority of our Mortgage production consists of products conforming to Fannie Mae and Freddie Mac guidelines, we also offer several programs sponsored by the Department of Housing and Urban Development (HUD), including 203(k) home improvement loans. HUD loans provide more

opportunities for prospective homeowners who have less income, lower credit scores and smaller down payments to enter the homeowner market. We also make many state and local bond programs available to our borrowers. These programs generally provide down payment assistance to qualifying borrowers.

**Finance of America Commercial** (Commercial), a division of Finance of America Mortgage, provides financing to investors in existing residential properties, including financing to purchase, rehabilitate and maintain older properties. These loans enable investors to improve the aging housing stock with more energy-efficient HVAC systems, roofing, windows and doors, and increase the availability of quality single-family rental housing.

**Finance of America Home Improvement** (Home Improvement), a division of Finance of America Mortgage, provides financing to consumers for specific home improvements, many of which can improve the home’s energy efficiency. Other home improvement products allow for necessary maintenance to preserve the value of the property and of the surrounding neighborhood and to help prepare homeowners for natural disasters.

**Finance of America Reverse** (Reverse), our reverse mortgage segment, provides reverse mortgages and other financial products designed to allow senior homeowners with sufficient home equity to remain in those homes for as long as they choose to age in place. Reverse mortgages are particularly appropriate for seniors with substantial home equity and limited monthly income, as a reverse mortgage will eliminate principal and interest payments and may provide additional cash that may be used to pay property taxes, homeowners’ insurance, or to pay for caregiver assistance, among other costs. In addition to reverse mortgages, we also offer a homesharing service, Silvernest, for senior citizens with extra space in their home who may be seeking a renter to share the costs and responsibilities of homeownership.

# OUR ENVIRONMENTAL, SOCIAL AND GOVERNANCE APPROACH

At Finance of America Companies, fulfilling the dream of sustainable homeownership is at the heart of what we do. We strive to operate as a socially responsible company by doing good for our customers, our employees, our communities and our environment in order to do well for our shareholders.

In 2021, we established an ESG Task Force and took our first steps towards formalizing our policy around ESG efforts. We adopted an ESG Policy Statement that outlines our commitment to the integration of environmental, social and governance principles into the fabric of our

Company while continuing to offer sustainable borrowing solutions to our customers. We intend for these principles to apply broadly to our long-term growth plans, ensuring we adopt and implement socially responsible practices along the way.

In early 2022, the Task Force was succeeded by a permanent ESG Committee. This Committee reports to the Finance of America Executive Committee and ultimately the Company's Board of Directors.

We established the following governance structure for our ESG program:



# OUR ENVIRONMENTAL IMPACT

We recognize the importance of sustaining our planet and natural resources in a manner that ensures we are able to meet our needs without compromising the well-being of future generations. We continually seek to reduce the environmental footprint of our operations. Our financing products support the heating, cooling, powering, and water consumption of single-family and multifamily properties in more efficient ways, providing long-term savings to our customers and benefits to the environment. Economically, our business model benefits from waste reduction.

## Minimizing the Environmental Impact of our Operations

Minimizing our environmental impact while growing profitably is vital as we strive to build a strong, sustainable business for our stakeholders. As a leader in the mortgage industry, we prioritize business optimization in our efforts to be as efficient and cost-effective as possible. As a mortgage lender, our operations are not energy-intensive relative to many other industries and, as a result, our carbon footprint is relatively limited. From an environmental standpoint, we continue to promote waste reduction and recycling to manage our carbon footprint.

We encourage our customers and other counterparties to utilize electronic document delivery and signing services, offered across many of our business segments. Our Mortgage, Home Improvement and Reverse segments offer customers electronic disclosures in compliance with the E-Sign Act. Our student loan processing business is conducted primarily online. Most of our businesses also provide the opportunity for electronic closings (in whole or in part) where it is practical and permitted by state and federal law.

Electronic delivery benefits the environment, is cost effective and convenient for borrowers, and can shorten the loan process. However, due to federal statutes and regulations, borrowers must opt in to utilize

these services. We will continue our efforts to educate consumers on the benefits of electronic document delivery and hope to increase the share of our loans that are disclosed and potentially closed in this way.

We make extensive use of electronic document signing services internally (e.g., for many of our corporate processes, such as Human Resources documents) and externally (e.g., for correspondence with vendors, landlords, brokers and correspondents). Not only do these services reduce expenses and increase efficiency, the maintenance of documents in the cloud facilitates remote working capability and our decentralized office model.

Within our Technology function, our asset management team has procedures in place to dispose of hardware and gear that is no longer being used by employees. We partner with vendors who practice R-2 or e-Steward recycling methods to destroy equipment past its useful life or help us remarket equipment to wholesalers and other partners. In 2021, we collected over 1,300 units of decommissioned electronic equipment that were redistributed throughout the supply chain. We receive a nominal monetary credit for resold units, thus saving the Company money while also reducing waste.

# Managing Weather-Related Risks in our Portfolio

The majority of our loans are originated in accordance with agency guidelines. Given most of the loans we originate are sold to government agencies or to investors via securitizations, we believe the inherent risks related to climate change and other factors within our portfolio are relatively low.

We have processes and controls to review our product guidelines, ensuring properties with increased weather risk have additional insurance protection to limit financial risk for borrowers and investors. For example, to align with agency guidelines, homes in FEMA-designated flood zones require flood insurance prior to closing. Additionally, homes with a higher risk of damage from wind, hail, hurricanes or other weather-related events as objectively measured by the insurance company often require extended coverage to meet agency requirements.

In addition, our sub-servicers are required to have policies, procedures and controls in place to ensure these

properties are adequately protected by flood insurance with no lapses in coverage, and that the flood insurance premiums are paid. The sub-servicers are also required to identify any flood map changes and to determine which insurable improvements are affected by the map change. We maintain disaster response programs with these sub-servicers to assist borrowers with insurance claims and forbearance plans if they are impacted by a disaster.

As part of our originations process, we also maintain an active disaster monitoring system to track active storms that can cause both physical and financial harm, accompanied by procedures to manage risk when such events occur, including, if reasonable under the circumstances, reinspection of real property located in an affected area before closing.

As part of our securitization process, we disclose geographic concentration risks based on locations of mortgaged properties in a given securitization.



# Our Focus on Products with Positive Environmental Impact

Finance of America is proud to offer several products focused on energy efficiency and home improvement.

- Our Mortgage segment offers home renovation products with favorable terms, which may include improved pricing or broader guidelines for borrowers looking to improve energy efficiency in their homes. For example, we offer Fannie Mae's HomeStyle Energy product, which allows borrowers to finance energy-related improvement projects, such as the installation of Energy Star certified appliances, windows and fixtures on either purchase or refinance loans. We also offer refinance solutions that can roll the balance of an existing solar panel installation into the refinanced first mortgage.
- Additionally, our Home Improvement division provides financing to consumers for improvement projects, including the purchase and installation of windows and doors, roofing, solar panels, insulation, and heating and air conditioning systems that can improve the home's energy efficiency. We also offer financing towards the purchase and installation of back-up generators and storm cellars, which may help to prepare homeowners for natural disasters.
- Within our Commercial segment, we offer products for investors to rehabilitate existing homes, many of which are not equipped with up-to-date appliances. With the majority of homes across the U.S. built before 1980, there is an increasing need to modernize older homes and install more energy-efficient systems, fixtures and appliances. According to a 2021 study by the National Association of Home Builders, energy efficiency upgrades can not only lower energy consumption and homeowner utility costs, but over time also add value to the property.
- All cash-out refinance products (including Mortgage and Reverse) provide cash to the homeowner that is available to use for home upgrades, including more energy-efficient HVAC systems and appliances, doors, windows, new roofing and insulation, and alternative energy sources such as solar panels.



# OUR SOCIAL IMPACT

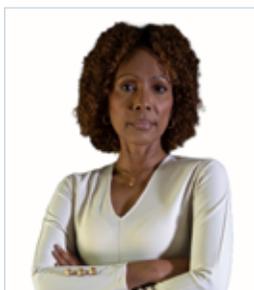
## OUR COMMITMENT TO OUR WORKFORCE

As of December 31, 2021, our workforce had grown to approximately 6,600 employees. Our people are our most important assets and our long-term success as an organization depends on creating a positive work environment where every employee feels valued. We also strive to promote a strong culture across our business that recognizes the importance of respecting one another and our customers. These objectives are accomplished through an emphasis on training and development, a commitment to diversity, equity and inclusion, and offering a comprehensive benefits package with a focus on physical and mental wellness. We are an equal opportunity employer, and have policies and procedures in place to prevent discrimination and to encourage workplace safety.

## Diversity, Equity and Inclusion | DEI

In 2021, we formalized our commitment to DEI and took steps to make that commitment clear to our employees, investors, stakeholders and future talent. Diversity is simply a fact in our large, geographically dispersed workforce. It is important to acknowledge our differences, and the value that our varied experiences and perspectives can bring to our Company.

Harvard Business Review and Boston Consulting Group research indicates that increasing diversity and recognizing its strength can lead to growth in innovation and revenue growth. Paying employees fairly and providing opportunities to grow and thrive can increase employee engagement and improve recruiting of the best talent. Inclusion is born from mutual respect, appreciation of diversity and focusing on what we have in common. It's about making people count. Inclusion can improve employee satisfaction, which can reduce



*Charmaine Brown*  
*Vice President of Diversity, Equity and Inclusion*

the loss of talented employees. Embracing DEI is the right thing to do, and it's good business.

We recognize that it is important for employees to understand what DEI means and why it is vital to the Company's ongoing

success. Our commitment to DEI was strengthened in 2021 with the addition of Charmaine Brown as our Vice President of Diversity, Equity and Inclusion. Ms. Brown, an experienced mortgage professional with a solid track record in DEI initiatives, is specifically dedicated to building our DEI culture in enlightening, inspiring ways.

In 2022, we will offer training to employees that focuses on the importance of DEI. Our DEI and Human Resources teams will facilitate additional support and resources to provide more context around how DEI can make us a better, stronger organization.

Employee Resource Groups (ERGs) drive employee engagement and promote a sense of belonging by celebrating employees' common interests and backgrounds. By raising cultural awareness, ERGs are a powerful engine for driving an inclusive environment. In the past, informal ERGs existed across our Company; however, in 2022 we will launch a formal ERG program in support of our DEI efforts. Each newly created ERG will have an executive sponsor and a charter that provides guidelines around group structure and how the group's activities will align with Company business goals.

In addition to ERGs, we are also committed to developing women in the Technology industry through our affiliation with Women in Technology International (WITI).

WITI is one of the leading organizations focused on the advancement and inclusion of women in business and technology. Our chapter currently has over 50 members and has hosted several internal events, including executive leadership panels and seminars focused on career advancement strategies for women. Additionally, our WITI members participate in a membership orientation and attend an annual WITI summit.

It is our intention that employees take our DEI initiatives to heart and put what they learn into action in their day-to-day work. The overall goal of these initiatives is to ensure

that our Company offers the best possible environment for each of our employees to thrive.

We are proud to be led by a female CEO, Patti Cook. Her inspiring career story includes her experiences as one of the first female investment professionals on Wall Street in the early 1980's. In 2021, Patti signed the CEO In Action pledge to demonstrate her commitment to DEI. This pledge, administered by PricewaterhouseCoopers (PwC) and signed by more than 2,000 CEOs, aims to rally the business community to advance diversity and inclusion within the workplace. In signing the pledge, Patti committed to taking concrete steps to support an inclusive workplace, such as launching DEI training and creating a safe space for DEI conversations.

### *Recruitment*

Our commitment to DEI is reflected in how we recruit talent. This impacts not only our workforce, but also the communities we serve. In 2021, we hired a talent management program advisor specifically dedicated to establishing our internship program and strengthening relationships with organizations that source diverse talent.

In 2021, we also announced a partnership with Future Housing Leaders. Through working with over 600 students and over 40 different companies, this organization helps students succeed by providing access to resources such as a peer network and educational materials. Future Housing Leaders reaches students across the country through partnerships with the Mortgage Bankers Association (MBA), Hispanic Association of Colleges and Universities (HACU) and Management Leadership for Tomorrow (MLT). Our partnership with Future Housing Leaders will help us connect college students to potential paid internships and entry-level job opportunities at our Company.

# Employee Engagement

Finance of America strives to keep employees engaged and well informed through a robust internal communications program. Here are several examples of all-employee communications that have helped to accomplish this:

**COVID-19:** Ongoing communications from senior executives have shared details of our COVID-19 policy throughout the pandemic. These communications have provided COVID policy updates as well as links to important support resources and helped to address employee concerns.

**Quarterly Business Update (QBU):** Employees receive a QBU email from senior executives soon after quarterly earnings are publicly released. These updates share with all employees the highlights of the most recent earnings release as well as business updates that speak to the direction of the business.

**New C-suite leaders:** When a new C-suite leader joins the Company, all employees receive an email providing context around the executive's role and responsibilities, and how the executive will support the future growth of the Company.

**Going public:** Our internal communications around going public (April 2021) helped employees understand the significance and implications of this momentous event in our Company's history.

Across our individual business segments, ongoing internal communications and activities keep employees aware and engaged. Business units circulate their own newsletters and management teams host regular employee town halls. While COVID-19 travel restrictions have made it more difficult for our employees to regularly gather in person, we continue to host a wide variety of virtual events to keep teams connected. In-person employee events resumed in mid-2021.

In 2021, we launched a new, modern corporate intranet that enables targeted, measurable, two-way communication with employees. We utilize our intranet to recognize employees doing impactful work, highlight our DEI culture, communicate the direction of the business and provide critical information employees need in order to succeed in their roles.

# Employee Benefits and Wellness

## *Benefits and Wellness*

At Finance of America, we are always on the lookout for new benefits that meet employees' evolving needs. As we navigate the COVID-19 era, we understand that employees may be under increased stress due to a variety of factors. Therefore, we maintain a strong focus on supporting the mental health of our employees (many of whom now work remotely) and partner closely with mental healthcare providers. We take a holistic approach to supporting employees in need by carefully coordinating available resources and ensuring employees know what resources are available and where to turn for support. The benefits and wellness resources we offer employees include:

- **Employee Assistance Program (EAP):** Our EAP provides employees and their household members with free, confidential, in-the-moment support around challenges including:
  - Personal and professional relationships
  - Transitions such as birth, death, marriage and divorce
  - Risks associated with burnout, depression, anxiety and substance abuse
  - Financial, legal and parenting issues

- **Special assistance:** In partnership with a third-party vendor, in 2020 we launched a new program focused on connecting employees to childcare (including special needs) and eldercare, as well as providing student loan resources and career support. This program provides specialized support and counseling to black and indigenous people of color (BIPOC).
  - **Enhanced healthcare benefits:** In addition to a comprehensive health benefits package, family-friendly benefits that we began to make available through our medical plans in 2021 include infertility treatments and egg freezing. We also added an adoption reimbursement benefit to our overall benefits package.
  - **Financial wellness:** Employees' financial wellness is a top priority for us. Our Company-matched 401(k) plan offers pre-tax and Roth options. Ongoing educational webinars and online tools are also available to help employees achieve their retirement goals. In 2021, we launched an Employee Stock Purchase Plan that allows employees to buy Company stock through after-tax payroll deductions.
  - **Time away:** For employees who need time away from work, we offer multiple options, including family leave, medical leave and up to 30 days of personal leave. Company-paid short-term disability is available to those who cannot work due to a medical issue. Voluntary long-term disability is available to those requiring longer periods away from work for medical reasons.
- **Employee Assistance Fund (EAF):** The EAF provides emergency financial support to employees and their families experiencing unexpected, tragic circumstances outside their control, such as natural disasters or life-threatening illness. In 2021, a total of 29 EAF grants totaling nearly \$86,000 were awarded to employees. A minimum of 25% of all employee and Company contributions to Cares are allocated towards our EAF.
  - **Employee Loan Program:** This program helps employees fulfill the dream of homeownership by offering reduced lender fees and discounted interest rates. In 2021, approximately 8% of our employees participated in the Employee Loan Program through a purchase or refinance transaction.
  - **Employee Perks at Work:** This program offers employees discounts on many useful products and services. These range from wireless/telecommunication services, to vehicles, appliances, travel and more.

### ***Our Response to the COVID-19 Pandemic***

Our commitment to putting employees' health and safety first is the guiding principle behind our response to the COVID-19 pandemic. Ongoing communications from Human Resources and business leaders have helped to remove uncertainty for employees by clarifying our policies. We also provide ongoing support, tools and flexibility for employees to manage their personal and professional lives. Flexibility has been especially important for our employees, who are juggling many responsibilities and challenges during the pandemic.

Most of our employees have been working remotely since March 2020. Employees appreciate the flexibility and reduced commute time afforded by working from home. Remote work is also good for the environment. We have

seen a significant decline in postage, printer use and travel expenses, and we now require less office square footage per employee.

Our workforce of 1,000+ employees in Manila, Philippines focuses primarily on business processing services and operations. We took significant measures to ensure employee safety and business continuity for our offshore workforce, given that most were not accustomed to working remotely or equipped to do so. We provided these employees with home office equipment, as well as internet services and allowances to ensure they had the resources needed to work virtually, given home internet access is not common in the Philippines.

Leaders and teams across the Company have taken many creative approaches to boosting morale and supporting teamwork, connection and engagement throughout the pandemic. In addition to various virtual team events and

activities, care packages and tokens of appreciation have been frequently sent to employees.

### ***Business Continuity and Crisis Management***

At Finance of America, we have procedures and controls in place to minimize impact to operations in the event of significant business disruptions. The Business Resilience Program is managed by a dedicated team whose focus is on ensuring operational resilience. The Business Resilience team is supported by the Executive Leadership team.

In 2021, we made meaningful investments to improve how we proactively monitor location-based events that may potentially impact employee safety, facility integrity and business continuity. This allows us to keep staff and stakeholders informed should critical events occur, such as natural or man-made disasters.

Business Continuity Plans (BCP) are in place and maintained via collaborative partnerships with key business leaders and stakeholders throughout the organization. Each of our segments has a tailored BCP that aligns with their business model. These plans are regularly reviewed, updated and tested by our Business Resilience team in partnership with each business segment to ensure employees are prepared to respond to disruptive events.

We have invested in an industry-leading critical event management technology platform to monitor, track and further automate our ability to relay localized public safety alerts to employees through emergency notifications. These notifications are designed to keep employees situationally aware of critical events and incidents that may impact them. The system is monitored by dedicated staff 24x7 with escalation protocols in place.



# Employee Training and Development

Finance of America utilizes a modern learning management platform that houses our centralized training and organizational development content, including Compliance training.

**Regulatory Compliance** is critical to Finance of America. Our Compliance training program covers an array of legal and regulatory topics. All consumer-facing employees are assigned required courses educating them on compliance with consumer protection laws for the industries in which we operate. Required Compliance training is reviewed not less than annually by representatives of the Compliance and Legal departments to ensure that necessary topics are included and that courses are assigned to all employees who are required to, or would benefit from the training.

Compliance with consumer protection regulations is supported by robust technology and monitored by our Compliance department.

All new employees are assigned a series of trainings during onboarding, spanning topics such as Ethics and Insider Trading, as well as an attestation of our core Company policies.

We also require our entire workforce to periodically complete a Discrimination and Harassment Prevention training course to ensure they understand what constitutes unlawful sexual harassment and discrimination, employees' rights and available forums for adjudicating complaints.



# Company and Employee Recognition

We are proud to have been recognized in the mortgage and housing industry by several media outlets. In 2021, our Company and employees received the following industry awards and accolades:

## HOUSING WIRE

2021 Women of Influence

**Patti Cook**  
CEO,  
Finance of America Companies

**Ashley Smith**  
Marketing Director,  
Finance of America Reverse

## HOUSING WIRE

2021 Vanguards Icon

**Kristen Sieffert**  
President,  
Finance of America Reverse

**Steve Reich**  
COO,  
Finance of America Mortgage

## HOUSING WIRE

2021 Tech Trendsetters

**Christine Herman**  
Chief Technology and Security Officer,  
Finance of America Companies

## HOUSING WIRE

2021 Insiders

**Michael Potter**  
Manager, National Underwriting,  
Finance of America Mortgage

## HOUSING WIRE

2021 Rising Stars

**Britany Luth**  
SVP, Business Operations,  
Finance of America Reverse

## MORTGAGE PROFESSIONAL AMERICA

2021 Rising Stars

**Alex Baren**  
Chief Transformation Officer,  
Finance of America Companies

**Anthony Carillo**  
Outside Sales Manager,  
Finance of America Mortgage

**Michael-Paul Morgan**  
Director, Capital Markets,  
Finance of America Mortgage

**Karissa Stiglic**  
Digital Product Manager,  
Finance of America Mortgage

## NATIONAL MORTGAGE PROFESSIONAL

2021 Women of Inspiration

**Jill Portilla**  
VP, Borrower Engagement,  
Finance of America Reverse

## GREAT PLACE TO WORK CERTIFIED

**Finance of America Reverse**

# OUR COMMITMENT TO OUR COMMUNITIES

We understand that it is our corporate responsibility to treat members of the communities we serve with respect and dignity, and we also recognize that this is key to our sustainability and success. We place the highest value on customer service, with emphasis on growing customer relationships and helping our customers navigate and understand the financial products we offer. We engage in robust complaint management efforts to resolve customer complaints promptly and to remedy any gaps in our processes that may impact the borrower experience.

## Philanthropy and Community Engagement

We pride ourselves on developing partnerships that strengthen communities – the places where we work, live, lend and serve. By making real estate ownership and investment more accessible to more people, for example, we promote:

- Overall financial wellness and security
- Sustainable housing solutions
- Home preservation

Finance of America proudly sponsors two 501(c)(3) organizations: Finance of America Cares and the Finance of America Foundation.

### *Finance of America Cares*

At the heart of our Company culture is an emphasis on caring for our communities, our employees and our customers. With a vision to spread human kindness, Finance of America Cares is our employee-funded and Company-matched nonprofit whose mission is to strengthen our communities, enrich lives and inspire caring.



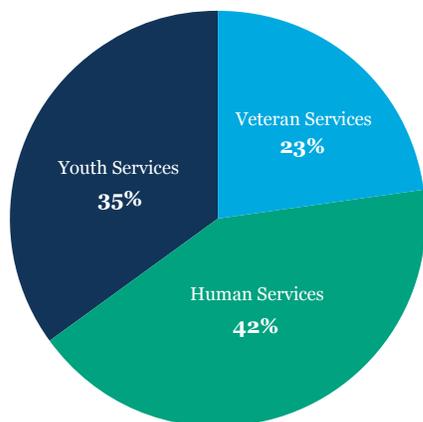
Together with employees, Cares creates action-oriented solutions that help to enhance the overall quality of life in the communities where we live and work. The organization is administered and operated by a broad, diverse group of employee volunteers. Cares' four core programs are:

1. **Nonprofit Grantmaking:** Cares supports a variety of nonprofit organizations with a special emphasis on those working to achieve sustainability and touch diverse populations, such as veterans and youth. Each year, employees can nominate nonprofits of their choice to become Cares partners, thereby making the nonprofit eligible to receive Company-matched employee donations. Grantees support our commitment to DEI by affirming that in providing their services they do not discriminate based on race or gender.

The total value of grants made by Finance of America Cares has steadily increased over time. In 2018, we awarded approximately \$170,000 to 30 grantees. In 2021, we awarded approximately \$600,000 to over 120 grantees. The organizations that Finance of America Cares supported through these direct grants

provided services to veterans and youth, as well as human services organizations providing support to individuals who were homeless, suffering from addiction, disabled, elderly or food insecure.

GRANTS BY ORGANIZATION TYPE



2. **Employee Assistance:** A streamlined program that includes an Employee Assistance Fund (EAF) for providing emergency financial assistance to employees nationwide and their immediate family during times of urgent need. In 2021, we approved and awarded 29 EAF grants to employees. The value of these grants totaled nearly \$86,000.
  
3. **Giving to Cares:** Cares' funding depends on employee contributions, usually through regular voluntary payroll deductions or specific one-time gifts. Cares also partners with employees to spearhead events and activities that raise funds for Cares. For 2021, the Company offered a 2:1 match on all employee contributions to Cares, effectively tripling the impact of employee giving. In 2021, we raised nearly \$200,000 through employee donations alone; together with the Company matching funds, this provided the grants and employee assistance described above. The 2:1 match is also being offered by the Company in 2022.

Throughout the year, we encourage employees to participate in various events and campaigns that bring awareness to causes focused on the greater good.

Examples include:

- **Virtual Step Challenge:** We raised approximately \$28,000 through our first-ever virtual Step Challenge fundraiser, which stretched from coast to coast.
  
- **Pink Day:** In 2021, to raise funds and awareness around breast cancer, we hosted a virtual Pink Day event. The event included a 30-minute employee fitness challenge, social media activities and employee fundraising for the National Breast Cancer Foundation.
  
- **Cares for Veterans:** Supporting the country's veterans is one small way of repaying the debt we owe those who have served. In 2021, Cares partnered with three nonprofits in a virtual donation drive to provide needed items to veterans in our communities. These nonprofits include The Home of the Brave Foundation, Paws and Stripes, and Rebuilding Together.
  
- **Wellness Week:** In 2021, Cares led its first Wellness Week to promote good health, happiness and wellness. A company-wide virtual 5k challenge was hosted along with a virtual game night to bring employees together and raise money for charity.
  
- 4. **Volunteering:** We provide employees with the opportunity to experience the transformative power of donating their time and energy toward charitable causes they care about. We offer all employees eight hours of paid time off each year to volunteer at a registered nonprofit. In 2021, over 300 employees volunteered at nonprofit organizations using paid time off.

Finance of America Cares was granted a Gold Seal of Transparency by GuideStar, a leader in providing reporting on U.S. nonprofits. By sharing information about our goals, strategies, achievements and progress indicators, we are highlighting the difference we help make in the world.



*Our Finance of America Cares Volunteers from 2019 - 2021*

## Finance of America Foundation



### FINANCE of AMERICA – FOUNDATION –

**The Finance of America Foundation** was formed in 2016 as a 501(c)(3) private foundation. The mission of the Finance of America Foundation is to provide support to U.S. homeowners who are in distressed financial situations by connecting them with available resources that may enable them to remain in their homes.

The Foundation accomplishes this mission through sponsorship of a web portal, Homeowner-help.org. Through Homeowner-help.org, we connect homeowners with the resources and assistance they may need when facing times of financial hardship. Through the website, homeowners respond to a few simple questions about their situation. The website then provides a customized report of relevant assistance programs and contact information.

Currently, Homeowner Help offers information on more than 6,000 programs available to assist those in need nationwide.



The Foundation Board of Directors was advised from 2017-2022 by Barney Frank, who served as a member of the U.S. House of Representatives from Massachusetts from 1981 to 2013. Congressman Frank served as chairman of the House Financial Services Committee (2007–2011) and was a leading co-sponsor of the 2010 Dodd–Frank Act, a sweeping reform of the U.S. financial industry.



In 2021, Silvernest took the steps to become a Delaware Public Benefit Corporation. The benefit of being a Public Benefit Corporation is that it permits Silvernest the freedom to consider stakeholders in addition to profit. Silvernest's specific public benefit purposes are to:

- Increase the amount of affordable housing stock
- Reduce social isolation
- Increase financial stability
- Reduce caregiving loads on family members

Silvernest's Public Benefit Corporation conversion was completed in January 2022. For additional information on Silvernest, please refer to the section: Our Commitment to Sustainable Homeownership.

## Our Commitment to Sustainable Homeownership

One of our primary objectives at Finance of America is to help customers fulfill the dream of owning a home. Our overall business approach is to take a holistic, long-term view of the customer's financial well-being, and our innovative lending and financial products are designed to meet the customer's evolving needs. We strive to be a trusted advisor to the customer at each stage of their financial life, ultimately giving customers more choices.

Historically, we met this objective by offering traditional mortgage products, the majority of which conform to government agency guidelines, reverse mortgages for seniors, including those backed by HUD, and proprietary products.

We introduced an innovative and new product in 2021 designed for borrowers near retirement. This product provides for lower monthly payments initially, converting to no payments other than taxes and insurance (similar to traditional reverse mortgages) after ten years.

In 2022 and beyond, we hope to offer more borrowers solutions designed to support sustainable homeownership.

Finance of America signed the Mortgage Bankers Association "Home for All Pledge" (the MBA Pledge) in 2021. The MBA Pledge represents our industry's long-term commitment to a sustained and holistic approach to addressing racial inequities in housing. By signing, we have agreed to be a champion for change in addressing the barriers to sustainable housing for persons and communities of color. Pillars of the MBA Pledge include fostering public policies and industry practices that promote and sustain minority homeownership and affordable rental housing, supporting market-based solutions through MBA's CONVERGENCE programs, and championing DEI in our workplaces and our industry.

We have Product Strategy Councils that are designed to promote product development and innovation across all major product lines. These groups meet periodically to set strategy, review product roadmaps and measure progress on key affordability initiatives. Additionally, we actively partner with the Fannie Mae/Freddie Mac Co-Development Panel and other industry groups to brainstorm affordable housing development ideas.



## Our Commitment to Sustainable Homeownership

### with *Mortgage*

Finance of America's largest business is lending in traditional mortgages. We are licensed to lend in all 50 states and several U.S. territories, including the District of Columbia and Puerto Rico. We offer a wide range of affordable housing products, including FHA, USDA and VA loans, as well as bond and down payment assistance programs. We underwrite the majority of our loans in accordance with agency guidelines.

Our goal is to make loans that are not only affordable, but sustainable in the long term. Nearly half of our purchase loans are to first-time homebuyers. Our Mortgage segment has access to over 400 down payment assistance programs covering all 50 states, including grant and State Housing Finance Authority programs. We provide all borrowers with a list of HUD-approved homeownership counselors to support the home-buying process. We have also recently partnered with the Government Sponsored Enterprises (GSEs) to support alternative valuation and creditworthiness methods in the underwriting process, such as the use of an average/blended FICO. We believe these measures will promote inclusivity and increase opportunities for aspiring homeowners.

In 2021, we launched an Accessory Dwelling Unit (ADU) refinancing program. ADUs are seen as one solution to help address the nation's growing housing affordability crisis. A dwindling supply of affordable housing in many areas of the country, especially on the nation's coasts, has given rise to the growth in demand for ADUs. ADUs, sometimes called in-law suites or "granny flats," can be detached or attached to a home. Examples of ADUs include a basement or a converted guest space above an attached garage. Our Mortgage segment's ADU program allows borrowers to refinance high interest rate debt associated with the installation of an ADU.

We offer refinance opportunities for low to moderate income borrowers looking to refinance their primary residence. These programs are geared towards borrowers with lower than 100% Area Median Income (AMI). Additional credits are also offered to make homeownership more affordable, such as a credit towards appraisal costs.

## Our Commitment to Sustainable Homeownership

### with *Reverse Mortgage*

Our Reverse segment provides reverse mortgages and other financial products designed to allow senior homeowners with substantial equity in their homes to remain in those homes for as long as they want to age in place. Reverse mortgages are available to all seniors with enough equity in the home to support a reverse mortgage loan. Our reverse products are particularly appropriate for seniors with substantial home equity and limited monthly income, as the products can eliminate principal and interest payments and may provide additional cash that can be used to pay property taxes or homeowners' insurance, or to pay for caregiver assistance, among many other purposes.

Most reverse mortgage loans are insured under the Home Equity Conversion Mortgage (HECM) program of HUD, which is a government-backed insurance program. Additionally, we offer proprietary reverse mortgage programs that allow borrowers the same benefits but without some of the constraints of the government program. With both of these programs, homes must meet certain minimum standard of living and maintenance requirements. Individuals who qualify for a reverse mortgage generally have lower incomes because they are moving, or have moved, into the retirement phase of their lives.

We believe a reverse mortgage is an excellent tool for the growing population of senior citizens who wish to remain in their homes longer term. To ensure borrowers understand the implications of taking out a reverse mortgage, we require all borrowers to complete reverse mortgage counseling with a licensed HUD counselor with specific training in reverse mortgages. In 2021, we formed an Advisory Council that seeks to promote and build trust in the reverse mortgage space and to serve as a think tank focused on new ideas and best practices that will benefit the senior community at large. The Advisory Council brings together subject matter experts in the industry so that our Reverse segment can continue to innovate in the reverse mortgage market and help families realize their dreams of staying in their home in their later years.

Our Reverse segment has developed and adopted a formal approach (a Social Bond Framework) that aims to implement International Capital Market Association guidelines and principles for issuing social bonds. As of the year ended 2021, we are the only issuer of bonds backed by reverse mortgage debt that has received a Second Party Opinion confirming that its Social Bond Framework is partially aligned with the International Capital Market Association Social Bond Principles (SBP).

The SBP seek to support issuers in financing socially sound and sustainable projects that achieve greater social benefits. The SBP, updated as of June 2021, are voluntary process guidelines that recommend transparency and disclosure and promote integrity in the development of the social bond market by clarifying the approach for issuance of a social bond. "Social projects" aim to directly address or mitigate a specific social issue and/or seek to achieve positive social outcomes, especially but not exclusively for a target population.

In the case of Reverse, the target is aging populations. Reverse mortgages, including specifically HECMs, provide benefits for older homeowners, and especially for those with lower incomes. Our Reverse segment issued over \$500 million in bonds backed by HECM collateral in 2021. Reverse's Social Bond Framework includes a servicing component, which evidences Finance of America's commitment to going above and beyond HUD guidelines in servicing to increase the sustainability of Reverse loans, including HECM.

We continue to develop products and programs to better support sustainable homeownership that will come into greater focus in 2022.

## Our Commitment to Sustainable Homeownership

### with *Silvernest*

To better support the needs of a growing senior population, Finance of America acquired Silvernest in 2019. This homesharing service benefits senior citizens and other homeowners who have extra space in their homes, such as empty nesters. The service provides an additional income stream by connecting homeowners with suitable renters, who may also help bear other burdens of homeownership, such as household chores and utility expenses.

Beyond the financial benefit, research shows that homesharing can also reduce loneliness and social isolation, which have been particularly problematic during the COVID-19 pandemic. Overall, we believe Silvernest creates more affordable housing options, promotes financial resilience for those who wish to age in their homes and ultimately improves quality of life.

Silvernest allows individuals to sign up for free and interact with other interested homesharers. Additional fees are charged for services such as background checks and rental agreement execution. As of year-end 2021, Silvernest had over 57,000 active members, a more than 30% increase in membership compared to 2020.

In addition, Silvernest has several key partnerships in place focused on homelessness prevention and reducing financial hardship among homeowners, including:

- **Rocky Mountain Veterans Hospital:** The “Homeshare for Care” initiative supports veteran homeowners by pairing them with compatible housemates. These housemates assist with chores, help around the house, and provide companionship and some additional income that benefits veteran homeowners. Veterans Affairs case managers support the veterans who participate in the program.
- **Homeshare Oregon:** This organization’s mission is to disrupt the housing crisis in Oregon by encouraging and incentivizing homeowners to become a valuable part of the solution. By putting to work underutilized housing inventory (e.g., spare bedrooms in homes), Homeshare Oregon is expanding access to affordable housing one spare bedroom at a time.
- **South Bay Cities Council of Governments:** This organization is committed to innovative solutions that focus heavily on preventative measures. Their “Homeshare South Bay” program encourages residents to consider homesharing to prevent homelessness and housing insecurity.
- **Montgomery County Homesharing Program:** This local HUD-approved housing counseling agency aims to expand its programs and services to its clients and local residents through its homesharing program. The program focuses on reducing social isolation, creating monthly income for homeowners and offering new affordable housing options to home seekers.

## Our Commitment to Sustainable Homeownership

### with *Student Loan Processing*

Our student loan processing business, CampusDoor, performs loan fulfillment services on behalf of lenders for students and their families via a proprietary, web-based application system. The company pioneered the first online private student loan application with a real-time underwriting and response system in 1995 and has steadily expanded its offerings since that time.

Working with 300+ lenders, CampusDoor supports individuals as they pursue educational goals and manage their educational debt. A majority of these lender customers are nonprofit organizations, including credit unions, endowment funds and state-affiliated lending programs—all of which share the mission of offering quality products to make higher education more accessible.

### with *Appraisal Management Services*

Our Appraisal Management business is an innovator in the desktop appraisal space. In 2021, this group launched a new appraisal tool that allows appraisals to be completed virtually using a mobile device. The tool features a built-in digital measuring tape, camera integration and automatic generation of exterior and interior sketches. In 2021, the Federal Housing Financing Agency announced the permanency of desktop appraisals, making our product a long-term, innovative solution to address a growing demand for virtual appraisals.

As a result of the COVID-19 pandemic, many homeowners may not be comfortable with third parties entering their home. Our product allows consumers to complete appraisals via a non-contact method. We believe this product will allow consumers to access appraisal services in a safer, timelier and more efficient manner while also offering homeowners and appraisers increased flexibility and reduced travel time and costs.

## Our Commitment to Improving the Existing Housing Stock

Our Commercial segment is in the housing creation business. We provide loans secured by residential properties (1-20 units) that are not owner occupied. This includes short-term loans for acquisition and rehab of residential properties in need of repair or maintenance (Fix and Flip and Construction), and longer-term loans to provide stable financing for rental properties (Rental).

Our Fix and Flip product benefits aging neighborhoods by stabilizing and revitalizing previously vacant, abandoned or uninhabitable properties. The renovations are intended to bring homes up to code with improved safety, energy efficiency and useability upgrades to meet the needs of today's market.

Loans secured by rental property require the collateral to meet standards for condition, health and safety. We

support quality rentals. A portion of our rental loans serve as supply to local voucher programs, such as Section 8 housing. We also provide new home construction lending for single homes with values up to \$1 million; however, our average new construction loan amount is below the conforming loan limit, increasing the pool of affordable homes.

We also lend against 2+ unit properties including 2-4 unit, mixed-use and multi-family properties. The construction and renovation of multi-unit properties adds new and improved housing stock. Multi-unit properties generally have a lower per unit cost when compared to a single-family property and are generally considered an affordable housing alternative to single family homes.

## Our Commitment to Responsible Servicing

Staying engaged with our borrowers throughout the customer lifecycle is crucial to our business. At Finance of America, we have dedicated teams in house that support and oversee customer outreach efforts and ensure borrowers inquiring about assistance receive a proper response. We seek to understand when our borrowers are facing financial hardship and help them explore avenues to mitigate a potential default. Our internal teams partner with sub-servicers to ensure our borrowers are taken care of and have the support they need.

### MORTGAGE

In Mortgage servicing, our sub-servicers are responsible for reaching out to borrowers and providing support when payments are past due, in compliance with applicable regulations and agency guidelines. Our sub-servicer outreach includes reminder notices with HUD counseling information, outbound calls from our sub-servicers and early intervention notices. While our default rates are low,

we study trends in trigger events to overlay for additional outreach.

For borrowers unable to make their payments due to temporary or longer-term financial hardship, we offer the following options as permitted by the owner of the loan:

- Repayment plans
- Deferral
- Forbearance plans
- Loan modifications for long-term hardship
- Cash for Keys for borrowers who simply are not able to cure their defaults, providing for a dignified exit from the distressed situation and a chance to cover costs of securing new housing and moving

## REVERSE

The primary contact with Reverse borrowers is through our sub-servicer. To ensure our Reverse borrowers receive the highest level of service from our sub-servicers, our customer experience team reviews the notes from all incoming and outgoing phone calls. Approximately 200-300 notes on average are reviewed daily to assist in the oversight of the sub-servicer as well as to permit us to analyze trends and identify specific issues that might require particular focus by our team.

We are aware that the borrowers served by our Reverse segment are seniors who may face health or cognitive challenges over time. Some may be homebound. Finance of America Reverse offers customized outreach for at-risk borrowers.

In our Reverse segment, we follow HUD guidelines to mitigate potential losses; however, we also offer optional

repayment plans permitted but not required by HUD (for HECM loans), as well as a broader range of solutions for non-HECM (proprietary) loan products.

## COMMERCIAL

Our Commercial segment offers loan extensions as a standard loss mitigation practice. During the COVID-19 pandemic, we generally provided hardship and forbearance paths for borrowers in all products as needed, including situations where tenants were unable to pay rent. We also approved loan extensions at record levels to provide additional time for borrowers who were unable to complete sales of Fix and Flip homes by the original maturity date due to supply chain and other economic factors.

# THE IMPACT OF STRONG CORPORATE GOVERNANCE

At Finance of America, strong corporate governance is integral to our operations, helping to ensure long-term, sustainable growth. Through a robust corporate governance framework, we strive to ensure compliance with local and federal laws and regulations, while operating with the highest ethical standards.

## Our Corporate Governance Structure

### BOARD OF DIRECTORS

**Members** Brian Libman, Patti Cook, Menes Chee\*, Norma Corio\*, Robert Lord\*, Tyson Pratcher\*, Lance West\*

\*Directors who qualify as independent directors under the NYSE listing standards

#### Board of Directors Level Committees

#### Audit Committee

Oversees audit and financial reporting process; oversees compliance with Code of Business Conduct & Ethics

#### Compensation Committee

Oversees compensation of executive officers and Pubco Board directors

#### Nominating & Corporate Governance Committee

Oversees Pubco Board director nomination process; develops and oversees corporate governance guidelines

### BOARD OF DIRECTORS FINANCE OF AMERICA EQUITY CAPITAL, LLC

**Members** Patti Cook, Graham Fleming, Johan Gericke, Jeremy Prahm

#### Finance

Disclosure Committee  
Credit Committees  
Valuation Committees  
Asset-Liability Committee

#### Enterprise Risk & Compliance

Enterprise Risk Management  
Operational Risk Committee  
Enterprise Compliance Committee  
Fair & Responsible Lending Committee  
Reputational Risk Committee  
Issues Management Committee  
BSA Committee

#### Employee Benefits

Employee Benefits Plan Committee

#### New Products

Product Strategy Council

# Our Board of Directors

Our Company’s Board of Directors (the Board) is comprised of individuals who have the experience, qualifications, attributes and skills, taken as a whole, to enable the Board to satisfy its oversight responsibilities with respect to our Company effectively in light of our business and structure. We believe that our directors provide an appropriate mix of experience and skills relevant to the size and nature of our business.

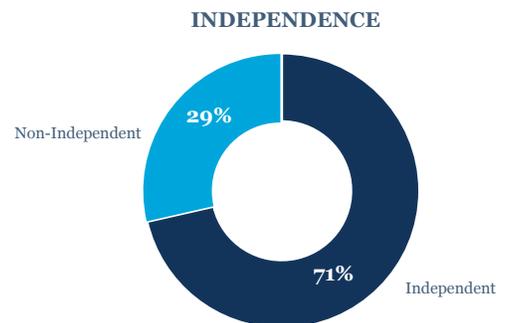
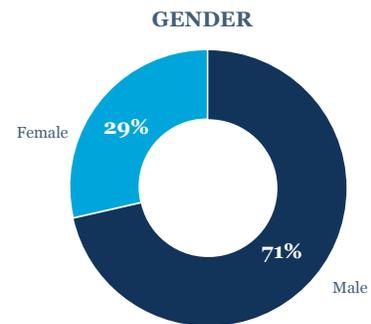
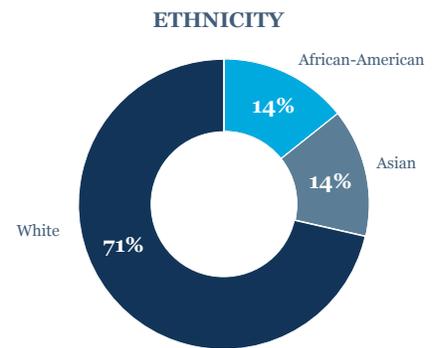
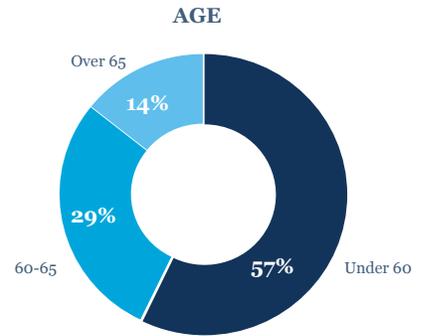
Our Board is comprised of seven individuals, five of whom qualify as independent directors based on NYSE listing standards. Together these directors oversee the management of our business and affairs of our Company in a manner consistent with the best interests of the Company and its stockholders.

The Board’s responsibility is one of oversight, and in performing its oversight role, the Board serves as the ultimate decision-making body of the Company, except for those matters reserved for or shared with the Company’s stockholders. The Board selects and oversees the members of Executive management, who are charged by the Board with conducting the business of the Company. The Board exercises direct oversight of strategic risks to the Company in regular coordination with the Company’s management.

## Board Member Selection and Diversity

Our Company believes that diversity within the Company promotes our long-term sustainability and corporate and social governance goals, and this begins with the members of our Board. In nominating directors, the Nominating and Corporate Governance Committee of our Board considers:

- Minimum individual qualifications, including strength of character, mature judgment, familiarity with the Company’s business and industry, independence of thought and an ability to work collegially with the other members of the Board.
- All other factors it considers appropriate, which may include age, diversity of background, existing commitments to other businesses, potential conflicts of interest with other pursuits, legal considerations such as antitrust issues, corporate governance background, various and relevant





career experience, relevant technical skills, relevant business or government acumen, financial and accounting background, technology background, compliance background, executive compensation background, and the size, composition and combined expertise of the existing Board.

Our Board monitors the mix of specific experience, qualifications and skills of its directors in order to assure

that the Board, as a whole, has the necessary tools to perform its oversight function effectively in light of the Company's business and structure. Currently, out of seven Board members, we have two female directors, one Asian American director and one African American director.



## *Our Board's Committee Structure and Oversight Responsibilities*

Our Board has three committees. Each committee is charged with oversight of various aspects of our Company and reports to our Board. Some of the primary responsibilities of the Board committees are described below.

- **Audit Committee:** Assists the Board by selecting, hiring, and overseeing our independent public auditors, approving the audit and non-audit services to be performed by our independent public auditors, and monitoring the quality and integrity of our financial statements and our accounting and financial reporting.
- **Nominating and Corporate Governance Committee:** Assists the Board in identifying and recommending prospective director nominees, overseeing the evaluation of the board of directors, the CEO, and executive management, and reviewing developments in corporate governance practices.
- **Compensation Committee:** Establishes the compensation philosophy of the Company and approves the compensation of executive officers and directors of the Company.

## *Expectations of our Directors*

Our Board has developed a number of specific expectations of directors and best practices to promote the discharge of director responsibilities and the efficient conduct of the Board's business, including, but not limited to, the following items:

- **Commitment and Attendance:** All directors are expected to make every effort to attend all meetings of the Board, meetings of the committees of which they are members and any meeting of stockholders.
- **Participation in Meetings:** Each director is expected to be sufficiently familiar with the business of the Company, including its financial statements and capital structure, and the risks, regulations and competition it faces, to facilitate active and effective participation in the deliberations of the Board.
- **Loyalty and Ethics:** In their roles as directors, all directors have a duty to remain loyal to the Company and its stockholders. Directors must act with integrity in their dealings with and on behalf of the Company and demonstrate a commitment to the Company's values.
- **Limitation of Other Directorships and Significant Activities:** Serving on the Board requires significant time and attention. Directors are expected to spend the time needed and meet as often as necessary to discharge their responsibilities properly. It is expected that, without specific approval from the Board, no director will serve on more than five public company boards (including the Company's Board), and no member of the Audit Committee will serve on more than three public company audit committees (including the Company's Audit Committee) unless approved by the Board.
- **Contact with Management:** All directors are invited to contact the CEO at any time to discuss any aspect of the Company's business. Directors also have complete access to other members of management and to the Company's employees, which, whenever possible, should be coordinated through the CEO or Chief Legal Officer.
- **Confidentiality:** The proceedings and deliberations of the Board and its committees are confidential. Each director shall maintain the confidentiality of information received in connection with his or her service as a director.

### *Other Key Best Practices*

- **Regular Meetings:** Board and Committee Meetings meet quarterly, or more frequently if necessary.
- **Annual Board Elections:** Each member of our Board is elected annually.
- **Independent Director is Chair of Audit Committee:** The chairperson of our Audit Committee is an independent director.
- **Annual Board and Committee Evaluations:** Each member of the Board is evaluated at least on an annual basis by the Nominating and Corporate Governance Committee. Each Committee conducts a self-evaluation at least annually.
- **Majority Required Quorum and Majority Voting Standard:** The majority of directors are required to be present in a meeting to establish quorum and the act of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board.



# Regulatory Compliance

Our Company and its business segments operate in a heavily regulated industry. Robust regulatory compliance is key to the sustainability of our business. Our Company has implemented a compliance management program (CMP) and utilizes a centralized management system (CMS), both of which are designed to reasonably ensure that we are compliant with federal, state and local laws applicable to our various business segments, with particular focus on licensing, doing business rules and regulations, as well as mortgage origination and servicing rules and regulations.

The components of our CMP include the following:

1. Our Legal and Compliance teams are tasked with:
  - a. Maintaining relevant business licenses
  - b. Confirming activities are conducted in all material respects in accordance with applicable law
  - c. Implementing and reviewing appropriate compliance policies and guidelines
  - d. Conducting regular Compliance training
  - e. Disseminating changes in laws, regulations and compliance procedures on a regular basis
  - f. Maintaining compliance monitoring
2. We have a multi-layered compliance infrastructure with operations control management as the first line of defense; quality control, risk, compliance, financial and information security controls as the second line of defense; and, internal audit as the third line of defense. Each layer of defense has various roles in maintaining controls and oversight of

operations.

3. Our corporate governance structure for compliance consists of a Board of Directors and the Audit Committee, an executive committee of management, and other committees, including Risk Oversight, Compliance and Disclosure committees. Each of these groups is responsible for oversight of the activities of our operating businesses with respect to regulatory compliance.
4. Our complaint and issues management program ensures that consumer complaints and legal or regulatory issues are appropriately addressed and that any required remediation actions are promptly taken.
5. Our internal and external audit groups provide independent review of the effectiveness of governance, risk, management and financial controls over our business segments.

The heart of our Company’s CMS is a secure web-based service called the RSA Archer GRC Platform (Archer). Our Company uses Archer to maintain electronic records of our corporate governance documents, corporate and license information, legal and regulatory matters, policies and procedures, counterparty information and our numerous contracts. Additionally, we use Archer in conjunction with the StateNet service offered by LexisNexis to monitor and identify changes in applicable law relevant to our business lines. This information is then used by our Compliance and Legal teams to review and implement any applicable changes in law.



# Enterprise Risk Management

Our Company's approach to enterprise risk management is multi-layered due to the size and complexity of our business segments. Management at our Company is focused on creating a culture that emphasizes the importance of risk management and establishment of controls in all key risk areas applicable to our businesses.

We have processes in place to identify, assess and monitor business and financial risks within each of our business segments. These risks are also overseen at the holding company level. As a result, we are able to identify, manage, monitor, and mitigate our financial and business risks, such as liquidity risk, credit risk, interest rate risk, market risk, operational risk, as well as legal and regulatory risks applicable to our Company and its business segments.

We endeavor to minimize operational, legal and regulatory risk through our robust regulatory compliance program (as described above in this Report) and by adhering to agency and investor guidelines for fraud detection.

The primary components of our Company's risk management framework are:

1. Our Board and management oversight
2. Review and tracking of Company risk by our compliance, credit and risk committees and/or policies across various business segments
3. Our Company's code of conduct and ethics, which outlines expectations for conduct and behavior by our Company and our employees as well as those we conduct business with
4. Monitoring risk through our quality control program as well as internal and external audit programs

# Code of Business Conduct and Ethics

Our Company's vision is to build a portfolio of businesses that together provide service to our customers and help them meet their financial needs. We endeavor to deliver positive customer experiences and do business with a personal touch. In connection with doing our work, we are committed to being a professional, responsible and law-abiding business organization and have adopted a Code of Business Conduct and Ethics (the Code) in furtherance of this commitment.

Our Code is applicable to our directors, officers and employees and is intended to further compliance with federal securities laws applicable to us as a public company. A copy of our Code is available on our investor relations website.

# Whistleblower Policy and Ethics Hotline

Federal law requires public companies to establish formal procedures for complaints relating to accounting and auditing matters. Our Company provides an anonymous, 24/7 Ethics Hotline for internal referrals of compliance and ethics issues. The Ethics Hotline is maintained by an independent service provider.

In April 2021, the Company adopted our Whistleblower Policy to demonstrate our commitment to ethical behavior. We task the Audit Committee of our Board of Directors with ensuring compliance with our Whistleblower Policy.

The principles of our Whistleblower Policy are incorporated in our Code of Business Conduct and Ethics. The policy aims to encourage employees to provide information or assist in an investigation or proceeding regarding any conduct or corporate behavior that he or she reasonably believes to be illegal or unethical, without any fear of retaliation. Our Company clearly and

unequivocally prohibits discrimination, harassment and/or retaliation against any employee. Furthermore, everyone at our Company is responsible for helping to ensure that the workplace is free from all forms of discrimination, harassment and retaliation prohibited by the Code of Business Conduct and Ethics. None of our directors, officers and employees or any agent, contractor or subcontractor of the Company has the authority to engage in any conduct prohibited by our Whistleblower Policy.

Our Company has established several avenues for making complaints, including, without limitation, reporting to the Chair of the Audit Committee, our Chief Legal Officer, or any manager, supervisor or member of the management team, a Human Resources employee or by submitting a report openly or confidentially and/or anonymously by phone call or email to our Ethics Hotline.



# Executive Compensation

Our compensation program is designed in accordance with a pay-for-performance philosophy. We believe that our Company is our people and that our success is a cumulative outcome. The compensation programs we offer directly influence our ability to attract, retain and motivate the highly qualified and experienced professionals who are vital to our success as a company. We believe people perform at their best when they are in well-defined roles, when they feel valued and when they are not distracted by outside concerns.

The top leadership roles in our Company carry tremendous responsibility and demand knowledge, personal qualities and experience that are highly valued in the talent market. Our principal executive compensation objectives are to:

- Attract, retain and motivate leaders who love what they do and possess the attributes necessary to successfully execute their duties
- Reward senior management in a manner aligned with our financial performance, intended to encourage them to apply their attributes to the greatest advantage of our stakeholders
- Align senior management's interests with our equity owners' long-term interests through equity participation and ownership

To accomplish these objectives, our compensation philosophy:

- Provides a compelling market-competitive opportunity, contingent upon attainment of business results ratified by the Board, to participate annually in the financial success of the Company

- Aligns the executive's long-term career opportunities and financial outcomes with long-term shareholder value, growth of the Company and sustainable business strategies

The tools we use to accomplish these objectives are continuously being evaluated, refined and balanced to provide an opportunity-to-risk ratio that is consistent with the Company's needs.

We invest competitively according to our assessment of the actual market value of individuals and reward additional performance-based value, allowing us to share a portion of that value as it occurs. To accomplish these ends, we provide total direct compensation to our executives via the following:

- Base salaries
- Annual cash incentive compensation
- Long-term incentive compensation

We also invest significantly in our executives' and other employees' professional development, constructive and supportive work environments, effective technologies and in assistance for managing personal health and welfare.

In addition, we utilize the services of an independent compensation consultant to provide executive compensation consulting services and to advise our management and Board on executive and director compensation.

# Cybersecurity and Data Privacy

Protecting the personal information of consumers, clients and employees is key to Finance of America's operations. As a custodian of personal information, we maintain a comprehensive set of policies and procedures to address the security of the information in our possession and we strive to hold our third-party suppliers and vendors to the same standards.

The mission of our Information Security Team, part of Finance of America's Technology organization, is to secure the business and empower the innovators, and do so relentlessly. A key goal of the Privacy Office is to ensure that we maintain and use personal information in a lawful manner while providing individuals with choice concerning their information and ability to exercise their data protection rights.

The Audit Committee of the Finance of America Board oversees our risk management practices, including those related to data privacy and information security. Our Chief Technology and Security Officer oversees our Information Security program.

## *Privacy and Cybersecurity*

The Enterprise Security organization and our Privacy Office align their efforts to applicable regulatory requirements and industry standards in order to protect client and employee data. The National Institute of Standards and Technology (NIST) Cybersecurity Framework is the foundation across our programs that helps Finance of America measure maturity, establish priorities, and plan for future investment in security and privacy. Our Enterprise Security team utilizes a suite of industry-leading standards, technologies, and best practices to ensure wide

visibility across our various companies and the ability to quickly address threats.

Complementary to the Information Security program, our Privacy Office establishes company-wide and business-specific policies and procedures to ensure compliant usage and processing of consumer and employee personal information.

## *Data Aware Culture – Awareness and Training*

Our employees are the first rung on the ladder of success for Finance of America's Information Security and Privacy programs. We are actively creating a security awareness and education program. This program includes required regular training, online security-awareness vignettes and simulation training that help raise employee awareness of security threats, such as phishing and wire fraud.

in ongoing employee training and development through many means, including virtual and in-person courses, certifications, conferences and technology bootcamp sessions. We also actively encourage our employees to be active within their industries as thought leaders and we support their professional development outside Finance of America.

The professional development of our teams responsible for protecting personal information is also critical. We invest

## *Legal Disclaimer*

This Report is for informational purposes only and is subject to change without notice. It is not intended to influence any investment decisions and is neither an offer to sell nor a solicitation of an offer to buy any securities or financial instruments from Finance of America Companies Inc. (NYSE: FOA). This report covers our owned or operated businesses as of December 31, 2021 and does not address the performance of our suppliers, contractors or partners unless otherwise noted. We have prepared the information contained herein solely to provide a general overview of our sustainability activities.

In addition, the information in this Report is summarized and is not a complete description of all of our activities; therefore, we have made qualitative judgments as to certain information to include that could be determined to be inaccurate or incomplete. We did not employ any third-party firm to audit this Report.



# Contact Us

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- Information about Finance of America Companies can be found at <https://www.financeofamerica.com>.



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