

NEWS BULLETIN

FROM:



RE: **ECC Capital Corporation**
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ECC Capital Corporation Provides Financial Statements and Business Update

CORONA DEL MAR, Calif, April 30, 2023 — ECC Capital Corporation (OTC: [ECRO.PK](https://www.otcmarkets.com/stock/ECRO.PK)) is a specialty finance and asset management company that currently manages a portfolio of residential mortgage related assets through its REIT subsidiary.

Financial Reporting

The Company has provided the audited 2022 financial statements on the Company's website at ecccapital.com.

Business Update

Polaris Home Loans LLC, the previously disclosed mortgage origination entity, ceased operations in 2022 due to the headwinds associated with the current mortgage and housing markets as well the start-up and operational challenges previously disclosed.

ECC will continue its efforts to seek capital, explore other strategic alternatives and business opportunities. These initiatives may include, but are not limited to, the sale of certain assets, seeking investments to support new business opportunities, partnering to increase top-line revenues, a capital infusion, or the sale of the company. In addition, ECC has and will continue its efforts to reduce its operating costs by reducing staffing and limiting operations. There are no assurances that these efforts will be successful or result in ECC's ability to make future distributions and, due to limited resources, ECC may not provide disclosures or financial statements in the future which would likely result in ECC being disqualified from the Pink Limited Information Tier on the OTC Exchange.

Quotation on the Pink Sheets and Stock Ownership Limitation

ECC Capital's common stock is currently quoted on the Pink Sheets under the symbol "ECRO.PK." However, ECC Capital does not control whether its stock is quoted on the Pink Sheets and therefore cannot guarantee there will be a market to trade the common stock. Moreover, if ECC ceases to provide financial information, as discussed above, ECC will likely be disqualified from the Pink Limited Information Tier on the OTC Exchange. ECC Capital does not anticipate applying for listing on any stock exchange or quotation on any electronic trading system in the near future. Since January 7, 2008, ECC Capital's charter has prohibited stockholders, other than persons for whom an ownership limit waiver exists, which includes Steve Holder, ECC Capital's CEO, from owning more than 2.5% of its common stock. ECC's Charter has other restrictions on ownership and transfer which should be reviewed. Shareholders whose ownership percentage of ECC Capital's common stock exceeded the reduced ownership limit on January 6, 2008, but was less than or equal to the existing 5.6% ownership limit in effect prior to January 6, 2008, were grandfathered and, therefore, permitted to continue owning ECC Capital's stock at their ownership percentage as of January 6, 2008. However, if those shareholders subsequently reduced or reduce their ownership percentage of ECC Capital's common stock, their maximum ownership limit will be reduced accordingly until their limit is equal to the 2.5% common stock ownership limit. Currently, there are 106,523,300 shares of ECC Capital common stock outstanding.

Forward-Looking Statements

This release may contain "forward-looking statements," which reflect the Company's current views with respect to, among other things, its operations and financial performance. You can identify these statements by the use of words such as "outlook," "anticipation," "potential," "continue," "may," "seek," "approximately," "predict," "believe," "expect," "plan," "intend," "estimate," "preparing" and similar expressions or the negative versions of these words or comparable words, as well as future or conditional verbs such as "will," "should," "would" and "could." These forward-looking statements are based on current available operating, financial, economic and other information, and are not guarantees of future performance and are subject to risks, uncertainties and assumptions which are difficult to predict. Therefore, current plans, anticipated actions, financial results, as well as the anticipated development of the industry, may differ materially from what is expressed or forecasted in any forward-looking statement. The Company does not undertake any obligation to publicly update or revise any forward-looking statement to reflect future events or circumstances, except as required by applicable law.

The information contained in this release is not meant to be an indication that ECC Capital will make similar information available in the future, and ECC Capital does not undertake any obligation to, nor does it give any assurance that it will, provide timely periodic disclosures or maintain its website.