

NEWS BULLETIN

FROM:



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ECC Capital Corporation Announces Outside Investment in Subsidiary

CORONA DEL MAR, Calif, November 24th, 2021 —

ECC Capital Corporation (OTC: [ECRO.PK](#)) announces that a subsidiary of Ellington Financial Inc. (NYSE: EFC) has made an investment in ECC Capital's mortgage origination subsidiary, Polaris Home Loans, LLC (Polaris), for 35% of the Class A Membership Interests in Polaris. Additional terms were undisclosed.

ECC Capital is a specialty finance and asset management company, managing a portfolio of residential mortgage related assets, and is originating mortgage loans through Polaris, which launched earlier this year. Polaris is headquartered in Springfield, Massachusetts, and is currently licensed in 29 states.

"We have been very impressed with the leadership and management of the Polaris team and look forward to supporting this platform," said Chris Connelly, Managing Director, Ellington.

"ECC Capital is excited to partner with Ellington. We look forward to leveraging their breadth of mortgage and fixed income expertise in support of the advancement of our new mortgage origination company, Polaris Home Loans, LLC," said Steve Holder, Chairman and CEO, ECC Capital.

The successful closing of the transaction builds on the momentum Polaris has achieved over the past several months. Polaris' strategy is to implement state-of-the art technologies while employing highly experienced personnel, in a decentralized customer service-oriented platform.

While ECC Capital believes that its new mortgage company could be successful, it cannot guarantee this investment will be profitable due to a variety of factors, including, without limitation, the difficulty of a startup venture and ECC Capital's ability to access capital markets, navigate legal requirements and pending litigation, obtain necessary regulatory approvals, and successfully execute its business plan.

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. Further, 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, 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 any future public disclosure.

About Ellington Financial

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