

Item 2.05. Costs Associated with Exit or Disposal Activities.

On October 20, 2022, the Board of Directors (the “Board”) of Finance of America Companies Inc. (the “Company”), authorized a plan to discontinue the operations of the Company’s Mortgage Originations segment, other than its Home Improvement channel, in order to strategically optimize and invest in the Company’s Reverse Originations, Commercial Originations, Lender Services and Portfolio Management segments (such plan, the “Resource Optimization Plan”).

In connection with implementing the Resource Optimization Plan, the Company currently expects to incur aggregate pre-tax charges of approximately \$145 million to \$164 million, of which the Company expects that approximately \$15 million to \$26 million will be cash expenditures.

Of the aggregate pre-tax charges, the Company estimates approximately \$12 million to \$18 million will consist of employee severance, retention and related benefits; approximately \$5 million to \$9 million will consist of lease terminations and other related costs; approximately \$8 million to \$12 million will consist of vendor contract terminations and other costs; and approximately \$120 million to \$125 million will consist of non-cash charges for the impairment of intangible and fixed assets. The Company currently expects that approximately \$135 million to \$145 million of these pre-tax charges will be incurred in 2022 and the balance will be incurred in the first half of 2023.

The Company anticipates that the Resource Optimization Plan will commence in the fourth quarter of 2022 and is expected to be substantially completed by the end of 2022. The Company plans to continue to fund an immaterial number of forward mortgage loans relating to its Mortgage Originations segment in the first half of 2023, primarily consisting of forward mortgage loans with extended lock periods and representing less than 11% of the aggregate forward mortgage loan pipeline relating to such segment as of the date hereof. Further, the Company currently expects to achieve annualized savings of approximately \$110 million to \$120 million (representing the recognized loss in the applicable portion of the business segment in the first half of 2022, on an annualized basis) once the Resource Optimization Plan is fully completed, and currently expects to realize related savings beginning in early 2023.

The cost estimates related to the Resource Optimization Plan are subject to a number of assumptions and actual results may differ. As the Resource Optimization Plan is implemented, management will continue to evaluate the estimated costs and anticipated savings set forth above, and may revise its estimates of such costs and anticipated savings and the accounting charges relating thereto, as appropriate, consistent with generally accepted accounting principles.

Item 2.06. Material Impairment.

The information set forth in Item 2.05 is incorporated by reference herein.

Item 7.01. Regulation FD Disclosure.

On October 21, 2022, the Company issued a press release announcing the Resource Optimization Plan, which press release is attached hereto as Exhibit 99.1.

The information furnished pursuant to this Item 7.01, including Exhibit 99.1, shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Forward-Looking Statements

This Current Report on Form 8-K includes “forward-looking statements” within the meaning of the “safe harbor” provisions of the United States Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements regarding the Company’s Resource Optimization Plan and its expected benefits, anticipated cost savings, financial and accounting impact, and timing. These forward-looking statements are not guarantees of future performance and are subject to a number of risks and uncertainties, many of which are difficult to predict and beyond the Company’s control. 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. Important assumptions and other important factors that could cause actual results to differ materially from those forward-looking statements include, but are not limited to, those factors, risks and uncertainties described above and in more detail under the heading “Risk Factors” in the Company’s Annual Report on Form 10-K, originally filed with the SEC on March 15, 2022.

The Company cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. 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 applicable law.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release (furnished pursuant to Item 7.01)
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Finance of America Companies Inc.

Dated: October 21, 2022

By: /s/ Johan Gericke
Johan Gericke
Executive Vice President and Chief Financial Officer

Finance of America Sharpens Focus on Specialty Finance and Services Business, Plans to Discontinue Forward Mortgage Originations

Strategic pivot aimed at enabling greater investment in high-growth business including reverse mortgages, home improvement & commercial loans, and lender services.

Plano, Texas (October 21, 2022) -Finance of America Companies Inc. (NYSE: FOA) (the “Company” or “FOA”), a leading specialty finance solutions platform, today announced its decision to discontinue the operations of its forward mortgage originations segment across both retail and wholesale channels by the end of the year.

The Finance of America Strategy

FOA was created to provide pathways for consumers to achieve greater financial freedom through the use of the equity in their home. FOA has built many businesses that have become leaders in their areas, including Reverse, Commercial and Lender Services. Collectively, with Portfolio Management and the Home Improvement business, they comprise FOA’s Specialty Finance and Services (SF&S) solutions platform.

FOA Interim Chief Executive Officer Graham Fleming, said: “The discontinuation of the forward mortgage originations segment will allow FOA to optimize its resources and prioritize businesses that have a distinct market opportunity and greater growth potential. In addition, the move will accelerate the company’s ability to partner with large mortgage lenders and other financial services companies to offer FOA’s SF&S solutions on their platforms. Our decision was made with careful consideration, and we understand the impact this action will have on many of our employees and their families. We are providing support and resources to assist our departing employees in their search for employment opportunities, and are actively working to facilitate the transition of many of these employees to roles at other mortgage lenders. The impacted employees have long been valued members of our team and we recognize the many contributions they have made to the company.”

Speaking about the strength of FOA’s SF&S business, Fleming noted that the reverse segment recently debuted its collaboration with Morningstar to educate 150,000 participating financial advisors on reverse mortgages and other home equity options available to customers aged 55 years or older. FOA has the leading reverse mortgage platform in an industry with strong structural tailwinds and it has been the backbone of FOA’s model since the inception of the enterprise.

FOA’s commercial business, which provides fix-and-flip loans, rental portfolio loans, and other financing for residential investment properties, also has commanding market share in its vertical. FOA’s home improvement business continues to grow and serves as an efficient customer acquisition channel. FOA’s portfolio management and capital markets capabilities support the innovation of proprietary products and connect FOA’s originated loans to an expanding universe of large institutional investors. Additionally, the lender services business continues to rapidly grow the number of third-party lenders it serves by introducing new technology enabled products, including augmented reality solutions for virtual appraisals and a new tax solutions product to assist homeowners in lowering their property tax bills.

About Finance of America Companies

Finance of America (NYSE: FOA) is a specialty finance consumer lending platform that provides pathways to achieve greater financial freedom through home equity. Through FOA's subsidiaries, customers have access to a diverse range of flexible, end-to-end home financing and home equity solutions including home improvement loans and reverse mortgages as well as loans to residential real estate investors distributed across retail, third-party network, and digital channels. In addition, FOA's companies offer complementary lending services to enhance the customer experience, as well as capital markets and portfolio management capabilities to optimize distribution to investors. FOA is headquartered in Plano, TX. For more information, please visit www.financeofamerica.com.

Media Relations Contact: pr@financeofamerica.com

Investor Relations Contact: ir@financeofamerica.com