
**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of Report (Date of earliest event reported): February 28, 2023

FINANCE OF AMERICA COMPANIES INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

001-40308
(Commission File Number)

85-3474065
(IRS Employer Identification No.)

**5830 Granite Parkway, Suite 400
Plano, Texas 75024**

(Address of principal executive offices, including zip code)

Registrant's telephone number, including area code: (877) 202-2666

N/A
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	FOA	New York Stock Exchange
Warrants to purchase shares of Class A Common Stock	FOA.WS	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.01. Completion of Acquisition or Disposition of Assets.

On February 28, 2023, Finance of America Companies Inc. (the “Company”) completed the previously announced discontinuation of the operations of its Mortgage Originations segment, other than its Home Improvement channel (the “Wind Down”). The Wind Down was previously disclosed by the Company in its Current Report on [Form 8-K](#) filed with the Securities and Exchange Commission on October 21, 2022 and such description is incorporated herein by reference. The unaudited pro forma financial information giving effect to the Wind Down is filed herewith as Exhibit 99.1.

Item 9.01. Financial Statements and Exhibits.**(b) Pro Forma Financial Information.**

The unaudited pro forma consolidated financial information of the Company giving effect to the Wind Down, including the unaudited pro forma condensed consolidated statement of financial condition as of September 30, 2022 and the unaudited pro forma condensed consolidated statements of operations for the nine months ended September 30, 2022 (Successor), the nine months ended December 31, 2021 (Successor), the three months ended March 31, 2021 (Predecessor), and the years ended December 31, 2020 and 2019 (Predecessor), are attached hereto as Exhibit 99.1 and incorporated herein by reference.

The unaudited pro forma condensed consolidated financial information is not intended to represent or be indicative of the Company’s consolidated results of operations or financial position that would have been reported had the Wind Down been completed as of the dates presented, and should not be taken as a representation of the Company’s future consolidated results of operations or financial condition. The pro forma adjustments are based on available information and certain assumptions that management believes are reasonable under the circumstances, and are presented for informational purposes only.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Unaudited Pro Forma Consolidated Financial Information
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: March 6, 2023

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

On February 28, 2023, Finance of America Companies Inc. (the “Company”) completed the previously announced discontinuation of the operations of its Mortgage Originations segment, other than its Home Improvement channel (the “Wind Down”). The commencement of the Wind Down was previously disclosed by the Company in its Current Report on Form 8-K filed with the Securities and Exchange Commission on October 21, 2022. The unaudited pro forma condensed consolidated financial information giving effect to the Wind Down is filed in this Exhibit 99.1.

The Wind Down constituted a significant disposition for the Company and qualifies for discontinued operations under U.S. generally accepted accounting principles. As a result, the following unaudited pro forma condensed consolidated statements of operations for the nine months ended September 30, 2022 (Successor), the nine months ended December 31, 2021 (Successor), the three months ended March 31, 2021 (Predecessor), and for the years ended December 31, 2020 and 2019 (Predecessor) are presented as if the Wind Down were completed on January 1, 2019. The following unaudited pro forma condensed consolidated statement of financial position as of September 30, 2022 is presented as if the Wind Down were completed on September 30, 2022.

The unaudited pro forma condensed consolidated financial statements are based on the historical financial statements prepared in accordance with U.S. generally accepted accounting principles and are presented based on information currently available. They are intended for informational and illustrative purposes only and are not intended to represent the Company’s financial position or results of operations had the Wind Down and related events occurred on the dates indicated or to project the Company’s financial performance for any future period. The unaudited pro forma condensed consolidated financial statements do not include adjustments to reflect any potential synergies or dis-synergies that may result from the Wind Down. The pro forma adjustments are based on available information and certain assumptions that management believes are reasonable under the circumstances, and are presented for informational purposes only.

The historical columns in the unaudited pro forma condensed consolidated financial statements reflect the Company’s historical financial statements for the periods presented and do not reflect any adjustments related to the Wind Down and related events.

The unaudited pro forma condensed consolidated financial statements have been prepared in accordance with Article 11 of Regulation S-X, and should be read in conjunction with the following: (i) the accompanying notes to the unaudited pro forma condensed consolidated financial information; (ii) the audited consolidated financial statements and accompanying notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Company’s Annual Report on Form 10-K for the annual period ended December 31, 2021; and (iii) the unaudited condensed consolidated financial statements and accompanying notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Company’s Quarterly Report on Form 10-Q for the nine months ended September 30, 2022.

Finance of America Companies Inc. and Subsidiaries
Unaudited Pro Forma Condensed Consolidated Financial Statements

Exhibit 99.1

	September 30, 2022		
	Finance of America Companies Inc. and Subsidiaries Historical	Discontinued Operations Adjustments	Finance of America Companies Inc. and Subsidiaries Pro Forma
ASSETS			
Cash and cash equivalents	\$ 169,072	\$ (43,702) (a)	\$ 125,370
Restricted cash	210,147	— (a)	210,147
Loans held for investment, subject to Home Equity Conversion Mortgage-Backed Securities ("HMBS") related obligations, at fair value	10,916,551	—	10,916,551
Loans held for investment, subject to nonrecourse debt, at fair value	6,741,391	—	6,741,391
Loans held for investment, at fair value	1,307,413	—	1,307,413
Loans held for sale, at fair value	859,650	(614,199) (a)	245,451
Mortgage servicing rights ("MSRs"), at fair value, \$59,800 subject to nonrecourse MSRs financing liability	103,069	—	103,069
Derivative assets	89,899	(17,596) (a)	72,303
Fixed assets and leasehold improvements, net	19,828	—	19,828
Intangible assets, net	438,300	—	438,300
Other assets, net	334,577	(42,920) (a)	291,657
TOTAL ASSETS	\$ 21,189,897	\$ (718,417)	\$ 20,471,480
LIABILITIES AND EQUITY			
HMBS related obligations, at fair value	\$ 10,784,841	\$ —	\$ 10,784,841
Nonrecourse debt, at fair value	6,745,526	—	6,745,526
Other financing lines of credit	2,305,999	(601,635) (a)	1,704,364
Payables and other liabilities	395,635	(116,782) (a)	278,853
Notes payable, net (includes amounts due to related parties of \$30,000)	382,810	—	382,810
TOTAL LIABILITIES	20,614,811	(718,417)	19,896,394
Commitments and Contingencies			
EQUITY			
Class A Common Stock, \$0.0001 par value; 6,000,000,000 shares authorized; 62,959,276 shares issued and outstanding at September 30, 2022	6	—	6
Class B Common Stock, \$0.0001 par value; 1,000,000 shares authorized, 15 shares issued and outstanding at September 30, 2022	—	—	—
Additional paid-in capital	876,140	—	876,140
Accumulated deficit	(577,272)	—	(577,272)
Accumulated other comprehensive loss	(367)	—	(367)
Noncontrolling interest	276,579	—	276,579
TOTAL EQUITY	575,086	—	575,086
TOTAL LIABILITIES AND EQUITY	\$ 21,189,897	\$ (718,417)	\$ 20,471,480

(a) Amounts attributable to the Mortgage Originations segment, excluding the Home Improvement channel.

Finance of America Companies Inc. and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations (Unaudited)
(In thousands, except share data)

Exhibit 99.1

	For the nine months ended September 30, 2022			
	Successor			Finance of America Companies Inc. and Subsidiaries Pro Forma
	Finance of America Companies Inc. and Subsidiaries Historical	Discontinued Operations Adjustments		
REVENUES				
Gain on sale and other income from loans held for sale, net	\$ 226,336	\$ (239,210)	(a)	\$ (12,874)
Net fair value gains on loans and related obligations	5,672	—		5,672
Fee income	316,798	(44,350)	(a)	272,448
Net interest expense:				
Interest income	41,748	(35,054)	(a)	6,694
Interest expense	(110,900)	26,716	(a)	(84,184)
Net interest expense	(69,152)	(8,338)		(77,490)
TOTAL REVENUES	479,654	(291,898)		187,756
EXPENSES				
Salaries, benefits, and related expenses	549,755	(264,639)	(a)	285,116
Occupancy, equipment rentals, and other office related expenses	22,103	(13,566)	(a)	8,537
General and administrative expenses	361,613	(92,945)	(a)	268,668
TOTAL EXPENSES	933,471	(371,150)		562,321
IMPAIRMENT OF INTANGIBLES AND OTHER ASSETS	(138,184)	128,884	(a)	(9,300)
OTHER, NET	41,234	—		41,234
NET LOSS BEFORE INCOME TAXES	(550,767)	208,136		(342,631)
Benefit for income taxes	(17,249)	—	(a)	(17,249)
NET LOSS	(533,518)	208,136		(325,382)
Noncontrolling interest	(399,859)	140,806	(a)	(259,053)
NET LOSS ATTRIBUTABLE TO CONTROLLING INTEREST	\$ (133,659)	\$ 67,330		\$ (66,329)
EARNINGS PER SHARE				
Basic weighted average shares outstanding	61,993,353	61,993,353		61,993,353
Basic net loss per share	\$ (2.16)	\$ (1.09)	(a)	\$ (1.07)
Diluted weighted average shares outstanding	188,375,945	188,375,945		188,375,945
Diluted net loss per share	\$ (2.34)	\$ (0.82)	(a)	\$ (1.52)

(a) Amounts attributable to the Mortgage Originations segment, excluding the Home Improvement channel.

Finance of America Companies Inc. and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations (Unaudited)
(In thousands, except share data)

Exhibit 99.1

	For the nine months ended December 31, 2021				
	Successor				
	Finance of America Companies Inc. and Subsidiaries Historical	Discontinued Operations Adjustments		Finance of America Companies Inc. and Subsidiaries Pro Forma	
REVENUES					
Gain on sale and other income from loans held for sale, net	\$ 564,525	\$ (547,101)	(a)	\$ 17,424	
Net fair value gains on loans and related obligations	341,750	—		341,750	
Fee income	386,065	(80,453)	(a)	305,612	
Net interest expense:					
Interest income	43,925	(41,524)	(a)	2,401	
Interest expense	(107,694)	34,205	(a)	(73,489)	
Net interest expense	(63,769)	(7,319)		(71,088)	
TOTAL REVENUES	1,228,571	(634,873)		593,698	
EXPENSES					
Salaries, benefits, and related expenses	768,105	(466,397)	(a)	301,708	
Occupancy, equipment rentals, and other office related expenses	23,389	(13,947)	(a)	9,442	
General and administrative expenses	392,262	(133,062)	(a)	259,200	
TOTAL EXPENSES	1,183,756	(613,406)		570,350	
IMPAIRMENT OF GOODWILL AND INTANGIBLE ASSETS	(1,380,630)	768,897	(a)	(611,733)	
OTHER, NET	14,142	—		14,142	
NET LOSS BEFORE INCOME TAXES	(1,321,673)	747,430		(574,243)	
Benefit for income taxes	(20,671)	15,574	(a)	(5,097)	
NET LOSS	(1,301,002)	731,856		(569,146)	
Noncontrolling interest	(929,202)	513,948	(a)	(415,254)	
NET LOSS ATTRIBUTABLE TO CONTROLLING INTEREST	\$ (371,800)	\$ 217,908		\$ (153,892)	
EARNINGS PER SHARE					
Basic weighted average shares outstanding	59,849,638	59,849,638		59,849,638	
Basic net loss per share	\$ (6.21)	\$ (3.64)	(a)	\$ (2.57)	
Diluted weighted average shares outstanding	190,597,249	190,597,249		190,597,249	
Diluted net loss per share	\$ (6.52)	\$ (3.65)	(a)	\$ (2.87)	

(a) Amounts attributable to the Mortgage Originations segment, excluding the Home Improvement channel.

Finance of America Companies Inc. and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations (Unaudited)
(In thousands, except share data)

Exhibit 99.1

	For the three months ended March 31, 2021		
	Predecessor		
	Finance of America Companies Inc. and Subsidiaries Historical	Discontinued Operations Adjustments	Finance of America Companies Inc. and Subsidiaries Pro Forma
REVENUES			
Gain on sale and other income from loans held for sale, net	\$ 291,334	\$ (286,481) (a)	\$ 4,853
Net fair value gains on loans and related obligations	76,663	—	76,663
Fee income	161,371	(32,731) (a)	128,640
Net interest expense:			
Interest income	12,661	(12,483) (a)	178
Interest expense	(34,366)	11,592 (a)	(22,774)
Net interest expense	(21,705)	(891)	(22,596)
TOTAL REVENUES	507,663	(320,103)	187,560
EXPENSES			
Salaries, benefits, and related expenses	238,530	(174,030) (a)	64,500
Occupancy, equipment rentals, and other office related expenses	7,597	(5,220) (a)	2,377
General and administrative expenses	127,187	(40,443) (a)	86,744
TOTAL EXPENSES	373,314	(219,693)	153,621
OTHER, NET	(8,892)	—	(8,892)
NET INCOME BEFORE INCOME TAXES	125,457	(100,410)	25,047
Provision for income taxes	1,137	—	1,137
NET INCOME	124,320	(100,410)	23,910
Contingently Redeemable Noncontrolling Interest ("CRNCI")	4,260	—	4,260
Noncontrolling interest	201	—	201
NET INCOME ATTRIBUTABLE TO CONTROLLING INTEREST	\$ 119,859	\$ (100,410)	\$ 19,449

(a) Amounts attributable to the Mortgage Originations segment, excluding the Home Improvement channel.

Finance of America Companies Inc. and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations (Unaudited)
(In thousands, except share data)

Exhibit 99.1

	For the year ended December 31, 2020		
	Predecessor		
	Finance of America Companies Inc. and Subsidiaries Historical	Discontinued Operations Adjustments	Finance of America Companies Inc. and Subsidiaries Pro Forma
REVENUES			
Gain on sale and other income from loans held for sale, net	\$ 1,178,995	\$ (1,171,368) (a)	\$ 7,627
Net fair value gains on loans and related obligations	311,698	—	311,698
Fee income	389,869	(118,237) (a)	271,632
Net interest expense:			
Interest income	42,584	(41,688) (a)	896
Interest expense	(123,001)	39,792 (a)	(83,209)
Net interest expense	(80,417)	(1,896)	(82,313)
TOTAL REVENUES	1,800,145	(1,291,501)	508,644
EXPENSES			
Salaries, benefits, and related expenses	868,265	(656,264) (a)	212,001
Occupancy, equipment rentals, and other office related expenses	29,621	(21,817) (a)	7,804
General and administrative expenses	395,871	(145,317) (a)	250,554
TOTAL EXPENSES	1,293,757	(823,398)	470,359
OTHER, NET	(6,131)	—	(6,131)
NET INCOME BEFORE INCOME TAXES	500,257	(468,103)	32,154
Provision for income taxes	2,344	—	2,344
NET INCOME	497,913	(468,103)	29,810
Contingently Redeemable Noncontrolling Interest ("CRNCI")	(21,749)	—	(21,749)
Noncontrolling interest	1,274	—	1,274
NET INCOME ATTRIBUTABLE TO CONTROLLING INTEREST	\$ 518,388	\$ (468,103)	\$ 50,285

(a) Amounts attributable to the Mortgage Originations segment, excluding the Home Improvement channel.

Finance of America Companies Inc. and Subsidiaries
Pro Forma Condensed Consolidated Statement of Operations (Unaudited)
(In thousands, except share data)

Exhibit 99.1

	For the year ended December 31, 2019		
	Predecessor		
	Finance of America Companies Inc. and Subsidiaries Historical	Discontinued Operations Adjustments	Finance of America Companies Inc. and Subsidiaries Pro Forma
REVENUES			
Gain on sale and other income from loans held for sale, net	\$ 464,308	\$ (462,700) (a)	\$ 1,608
Net fair value gains on loans and related obligations	329,526	—	329,526
Fee income	199,099	(64,372) (a)	134,727
Net interest expense:			
Interest income	37,323	(36,673) (a)	650
Interest expense	(138,731)	37,076 (a)	(101,655)
Net interest expense	(101,408)	403	(101,005)
TOTAL REVENUES	891,525	(526,669)	364,856
EXPENSES			
Salaries, benefits, and related expenses	529,250	(369,526) (a)	159,724
Occupancy, equipment rentals, and other office related expenses	32,811	(25,453) (a)	7,358
General and administrative expenses	256,217	(105,966) (a)	150,251
TOTAL EXPENSES	818,278	(500,945)	317,333
OTHER, NET	4,332	—	4,332
NET INCOME BEFORE INCOME TAXES	77,579	(25,724)	51,855
Provision for income taxes	949	—	949
NET INCOME	76,630	(25,724)	50,906
Contingently Redeemable Noncontrolling Interest ("CRNCI")	21,707	—	21,707
Noncontrolling interest	511	—	511
NET INCOME ATTRIBUTABLE TO CONTROLLING INTEREST	\$ 54,412	\$ (25,724)	\$ 28,688

(a) Amounts attributable to the Mortgage Originations segment, excluding the Home Improvement channel.

Finance of America Companies Inc. and Subsidiaries
Notes to Pro Forma Condensed Consolidated Financial Statements (Unaudited)

1. Basis of Presentation

The unaudited pro forma condensed consolidated financial statements are based on the historical condensed consolidated financial statements of the Company as adjusted to give effect to the Wind Down of the operations of its Mortgage Originations segment, other than its Home Improvement channel. The unaudited pro forma condensed consolidated statements of operations for the nine months ended September 30, 2022 (Successor), the nine months ended December 31, 2021 (Successor), the three months ended March 31, 2021 (Predecessor), and the years ended December 31, 2020 (Predecessor) and December 31, 2019 (Predecessor) give effect to the Wind Down as if it were completed on January 1, 2019. The unaudited pro forma condensed consolidated statement of financial condition as of September 30, 2022 gives effect to the Wind Down as if it were completed on September 30, 2022. The discontinued operations adjustments for the Wind Down consist of those necessary to account for the Wind Down and are based on available information and certain assumptions that management believes are reasonable. Actual future results may be different than what is presented in these unaudited pro forma condensed consolidated financial statements.