

Angel Oak Capital Advisors Delivers First-to-Market, Non-Agency Social Bond Securitization

Leading mortgage credit firm continues trailblazing role, leveraging vertical integration and environmental, social and governance (ESG) initiatives

ATLANTA — (May 17, 2021) — [Angel Oak Capital Advisors, LLC](#) (Angel Oak), an investment management firm specializing in value-driven structured credit products, announces the completion of AOMT 2021-2, the first non-agency, mortgage-backed securitization issued in the U.S. that qualifies as a social bond.

The \$231 million securitization is composed primarily of non-qualified mortgages (non-QM) originated entirely by affiliated mortgage lenders. The securitization, made up of 466 loans, has an average credit score of 740 and a loan-to-value ratio of 73%. The transaction was rated by Fitch Ratings and Kroll Bond Rating Agency, and the senior tranche received a AAA rating.

Angel Oak undertook a high level of diligence in qualifying loans for AOMT 2021-2 and adhered to the standards put in place by the [International Capital Market Association \(ICMA\)](#) Social Bond Principles, the industry's leading framework for social- and green-bond issuances. Angel Oak also secured a second-party opinion from [ISS ESG](#), which confirmed AOMT 2021-2 alignment with the standards set forth by the ICMA Social Bond Principles.

In addition, Angel Oak developed a comprehensive framework and used extensive data analytics to categorize and quantify the bonds' social impact at the loan level. The securitization pooled loans that generally offer mortgage financing solutions for underserved U.S. homebuyers who are not able to borrow through traditional lending channels. These borrowers largely include self-employed individuals, a sector of the population that has disproportionately felt the economic strain caused by the COVID-19 pandemic.

"The issuance of this securitization comes as a natural next step as part of our company-wide, socially conscious integration program," said Rob McDonough, director of ESG and regulatory initiatives at Angel Oak. "This focus has allowed us to not only pioneer a social bond, but also institute the due diligence necessary to ensure an impactful product. We have dedicated significant time, energy and resources to achieve this, and we are proud of our ability to execute on this first-to-market securitization."

One of the key aspects that sets Angel Oak apart is the company's vertically integrated model, which allows it to oversee and control all aspects of every loan from origination to underwriting and securitization. Angel Oak has developed a comprehensive database that tracks loan performance and key metrics, giving the firm a competitive advantage. It also allows Angel Oak to develop new programs that will align with future opportunities.

"At its core, this securitization remains in line with the high standards set forth by Angel Oak while also bringing additional value through the lens of an impactful social bond," said Namit Sinha, chief investment officer of private strategies. "We're continuously advancing our technologies and growing our practices to deliver new, progressive products for our demanding investors. These capabilities leverage Angel Oak's adaptability and ultimately aid our continuing ability to deliver higher-yielding opportunities in a challenging market environment."

The completion of AOMT 2021-2 marks the firm's second securitization this year, totaling approximately \$500 million in issuance in 2021 alone. Since Angel Oak's first securitization in 2015, the firm has been a true leader in non-agency RMBS issuance, completing 23 securitizations totaling more than \$7.9 billion.



About Angel Oak Capital Advisors, LLC

Angel Oak Capital Advisors is an investment management firm focused on providing compelling fixed-income investment solutions for its clients. Backed by a value-driven approach, Angel Oak Capital Advisors seeks to deliver attractive, risk-adjusted returns through a combination of stable current income and price appreciation. Its experienced investment team seeks the best opportunities in fixed income, with a specialization in mortgage-backed securities and other areas of structured credit.

For more information, please visit www.angeloakcapital.com.

About Angel Oak Mortgage Solutions, LLC

Angel Oak Mortgage Solutions, a leader in alternative lending solutions, is the top wholesale and correspondent provider of non-QM loans in the nation. Its team of mortgage experts has pioneered a fresh, commonsense approach to overcoming today's mortgage lending challenges. The team operates in 44 states, with a breadth of non-QM products that expands the pool of borrowers, offering partners more opportunities to grow their businesses and better serve their customers.

For more information, please visit www.angeloakms.com.

About Angel Oak Home Loans, LLC

Angel Oak Home Loans is a full-service mortgage lender. In addition to offering traditional mortgage products, it specializes in innovative alternative lending options. Angel Oak Home Loans' flexible, supportive approach empowers prospective buyers to embark with confidence on a new path to home ownership. Its experienced team of licensed mortgage advisors is leading the way by delivering start-to-finish mortgage support and a superior client experience.

For more information, please visit www.angeloakhomeloans.com.

