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

Form 10-Q

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

For the quarterly period ended September 30, 2025

or

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

Commission file number: 001-32136

Arbor Realty Trust, Inc.

(Exact name of registrant as specified in its charter)

Maryland	**20-0057959**
(State or other jurisdiction of incorporation)	*(I.R.S. Employer Identification No.)*
333 Earle Ovington Boulevard, Suite 900, Uniondale, NY	**11553**
(Address of principal executive offices)	*(Zip Code)*

(Registrant's telephone number, including area code): **(516) 506-4200**

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

Title of each class	Trading symbols	Name of each exchange on which registered
Common Stock, par value $0.01 per share	ABR	New York Stock Exchange
Preferred Stock, 6.375% Series D Cumulative Redeemable, par value $0.01 per share	ABR-PD	New York Stock Exchange
Preferred Stock, 6.25% Series E Cumulative Redeemable, par value $0.01 per share	ABR-PE	New York Stock Exchange
Preferred Stock, 6.25% Series F Fixed-to-Floating Rate Cumulative Redeemable, par value $0.01 per share	ABR-PF	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☑	Accelerated filer	☐	Non-accelerated filer	☐
Smaller reporting company	☐	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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

Issuer has 195,710,635 shares of common stock outstanding at October 24, 2025.

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Forward-Looking Statements

The information contained in this quarterly report on Form 10-Q is not a complete description of our business or the risks associated with an investment in Arbor Realty Trust, Inc. We urge you to carefully review and consider the various disclosures in this report, as well as information in our annual report on Form 10-K for the year ended December 31, 2024 (the "2024 Annual Report") filed with the Securities and Exchange Commission ("SEC") on February 21, 2025 and in our other reports and filings with the SEC.

This report contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements relate to, among other things, the operating performance of our investments and financing needs. We use words such as "anticipate," "expect," "believe," "intend," "should," "could," "will," "may" and similar expressions to identify forward-looking statements, although not all forward-looking statements include these words. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain projections of results of operations or of financial condition or state other forward-looking information. Our ability to predict results or the actual effect of future plans or strategies is inherently uncertain. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results in future periods to differ materially from forecasted results. Factors that could have a material adverse effect on our results of operations, financial condition and future prospects include, but are not limited to, changes in economic, macroeconomic and geopolitical conditions generally, and the real estate market specifically; adverse changes in our status with government-sponsored enterprises affecting our ability to originate loans through such programs; changes in interest rates; the quality and size of the investment pipeline and the rate at which we can invest our cash; impairments in the value of the collateral underlying our loans and investments; inflation; changes in federal and state laws and regulations, including changes in tax laws; the availability and cost of capital for future investments; and competition. Readers are cautioned not to place undue reliance on any of these forward-looking statements, which reflect our views as of the date of this report. The factors noted above could cause our actual results to differ significantly from those contained in any forward-looking statement.

Although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. We are under no duty to update any of the forward-looking statements after the date of this report to conform these statements to actual results.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
($ in thousands, except share and per share data)

	September 30, 2025 (Unaudited)	December 31, 2024
Assets:		
Cash and cash equivalents	$ 423,384	$ 503,803
Restricted cash	122,960	156,376
Loans and investments, net (allowance for credit losses of $246,309 and $238,967)	11,430,418	11,033,997
Loans held-for-sale, net	319,207	435,759
Capitalized mortgage servicing rights, net	344,913	368,678
Securities held-to-maturity, net (allowance for credit losses of $15,883 and $10,846)	155,969	157,154
Investments in equity affiliates	57,298	76,312
Real estate owned, net	471,347	176,543
Due from related party	29,881	12,792
Goodwill and other intangible assets	86,944	88,119
Other assets	444,858	481,448
Total assets	$ 13,887,179	$ 13,490,981
Liabilities and Equity:		
Credit and repurchase facilities	$ 4,123,577	$ 3,559,490
Securitized debt	4,168,152	4,622,489
Senior unsecured notes	1,728,238	1,236,147
Convertible senior unsecured notes	—	285,853
Junior subordinated notes to subsidiary trust issuing preferred securities	145,292	144,686
Mortgage notes payable — real estate owned	190,688	74,897
Due to related party	5,447	4,474
Due to borrowers	39,123	47,627
Allowance for loss-sharing obligations	95,821	83,150
Other liabilities	275,893	280,198
Total liabilities	10,772,231	10,339,011
Commitments and contingencies (Note 14)		
Equity:		
Arbor Realty Trust, Inc. stockholders' equity:		
Preferred stock, cumulative, redeemable, $0.01 par value: 100,000,000 shares authorized, shares issued and outstanding by period:	633,682	633,684
Special voting preferred shares - 16,173,761 and 16,293,589 shares		
6.375% Series D - 9,200,000 shares		
6.25% Series E - 5,750,000 shares		
6.25% Series F - 11,342,000 shares		
Common stock, $0.01 par value: 500,000,000 shares authorized - 195,710,635 and 189,259,435 shares issued and outstanding	1,957	1,893
Additional paid-in capital	2,454,108	2,375,469
(Accumulated deficit) retained earnings	(92,277)	13,039
Total Arbor Realty Trust, Inc. stockholders' equity	2,997,470	3,024,085
Noncontrolling interest	117,478	127,885
Total equity	3,114,948	3,151,970
Total liabilities and equity	$ 13,887,179	$ 13,490,981

Note: Our consolidated balance sheets include assets and liabilities of consolidated variable interest entities, or VIEs, as we are the primary beneficiary of these VIEs. At September 30, 2025 and December 31, 2024, assets of our consolidated VIEs totaled $5,636,297 and $6,124,925, respectively, and the liabilities of our consolidated VIEs totaled $4,178,689 and $4,637,744, respectively. See Note 15 for discussion of our VIEs.

See Notes to Consolidated Financial Statements.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
($ in thousands, except share and per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Interest income	$ 223,001	$ 286,522	$ 703,997	$ 905,002
Interest expense	184,735	197,710	521,564	624,613
Net interest income	38,266	88,812	182,433	280,389
Other revenue:				
Gain on sales, including fee-based services, net	23,340	18,638	49,779	52,752
Mortgage servicing rights	15,538	13,195	34,598	37,928
Servicing revenue, net	29,652	31,142	82,692	92,577
Property operating income	4,189	1,507	14,028	4,521
(Loss) gain on derivative instruments, net	(2,206)	822	1,413	(4,711)
Other income, net	3,650	2,537	12,059	6,955
Total other revenue	74,163	67,841	194,569	190,022
Other expenses:				
Employee compensation and benefits	44,169	44,881	131,386	135,411
Selling and administrative	13,698	13,141	44,868	39,897
Property operating expenses	7,296	1,686	17,572	4,948
Depreciation and amortization	5,355	1,944	14,947	6,937
Provision for loss sharing (net of recoveries)	8,256	3,180	14,258	7,787
Provision for credit losses (net of recoveries)	19,694	16,220	47,773	64,903
Total other expenses	98,468	81,052	270,804	259,883
Income before extinguishment of debt, (loss) gain on real estate, income from equity affiliates and income taxes	13,961	75,601	106,198	210,528
Loss on extinguishment of debt	—	—	(2,319)	(412)
(Loss) gain on real estate	(555)	—	(4,813)	3,813
Income from equity affiliates	46,204	3,177	47,224	7,388
Provision for income taxes	(7,594)	(5,233)	(14,583)	(12,726)
Net income	52,016	73,545	131,707	208,591
Preferred stock dividends	10,342	10,342	31,027	31,027
Net income attributable to noncontrolling interest	3,211	5,028	7,828	14,119
Net income attributable to common stockholders	$ 38,463	$ 58,175	$ 92,852	$ 163,445
Basic earnings per common share	$ 0.20	$ 0.31	$ 0.48	$ 0.87
Diluted earnings per common share	$ 0.20	$ 0.31	$ 0.48	$ 0.86
Weighted average shares outstanding:				
Basic	193,748,462	188,513,832	192,028,656	188,626,263
Diluted	210,517,762	205,347,309	208,807,751	205,448,479
Dividends declared per common share	$ 0.30	$ 0.43	$ 0.90	$ 1.29

See Notes to Consolidated Financial Statements.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited)
($ in thousands, except shares)

Three Months Ended September 30, 2025

	Preferred Stock Shares	Preferred Stock Value	Common Stock Shares	Common Stock Par Value	Additional Paid-in Capital	(Accumulated Deficit) Retained Earnings	Total Arbor Realty Trust, Inc. Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance – July 1, 2025	42,465,761	$ 633,682	192,301,414	$ 1,922	$ 2,411,661	$ (72,521)	$ 2,974,744	$ 119,119	$ 3,093,863
Issuance - common stock	—	—	3,390,207	34	39,683	—	39,717	—	39,717
Stock-based compensation, net	—	—	19,014	1	2,764	—	2,765	—	2,765
Distributions - common stock	—	—	—	—	—	(58,215)	(58,215)	—	(58,215)
Distributions - preferred stock	—	—	—	—	—	(10,346)	(10,346)	—	(10,346)
Distributions - noncontrolling interest	—	—	—	—	—	—	—	(4,852)	(4,852)
Net income	—	—	—	—	—	48,805	48,805	3,211	52,016
Balance – September 30, 2025	42,465,761	$ 633,682	195,710,635	$ 1,957	$ 2,454,108	$ (92,277)	$ 2,997,470	$ 117,478	$ 3,114,948

Nine Months Ended September 30, 2025

Balance – January 1, 2025	42,585,589	$ 633,684	189,259,435	$ 1,893	$ 2,375,469	$ 13,039	$ 3,024,085	$ 127,885	$ 3,151,970
Issuance - common stock	—	—	5,898,957	59	70,459	—	70,518	—	70,518
Stock-based compensation, net	—	—	552,243	5	8,180	—	8,185	—	8,185
Distributions - common stock	—	—	—	—	—	(198,157)	(198,157)	—	(198,157)
Distributions - preferred stock	—	—	—	—	—	(31,038)	(31,038)	—	(31,038)
Distributions - noncontrolling interest	—	—	—	—	—	—	—	(16,661)	(16,661)
Redemption of OP Units	(119,828)	(2)	—	—	—	—	(2)	(1,574)	(1,576)
Net income	—	—	—	—	—	123,879	123,879	7,828	131,707
Balance – September 30, 2025	42,465,761	$ 633,682	195,710,635	$ 1,957	$ 2,454,108	$ (92,277)	$ 2,997,470	$ 117,478	$ 3,114,948

See Notes to Consolidated Financial Statements.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (Unaudited) (Continued)
($ in thousands, except shares)

Three Months Ended September 30, 2024

	Preferred Stock Shares	Preferred Stock Value	Common Stock Shares	Common Stock Par Value	Additional Paid-in Capital	Retained Earnings	Total Arbor Realty Trust, Inc. Stockholders' Equity	Noncontrolling Interest	Total Equity
Balance – July 1, 2024	42,585,589	$ 633,684	188,548,879	$ 1,885	$ 2,361,466	$ 57,894	$ 3,054,929	$ 131,710	$ 3,186,639
Stock-based compensation, net	—	—	59,898	1	1,793	—	1,794	—	1,794
Distributions - common stock	—	—	—	—	—	(81,249)	(81,249)	—	(81,249)
Distributions - preferred stock	—	—	—	—	—	(10,346)	(10,346)	—	(10,346)
Distributions - noncontrolling interest	—	—	—	—	—	—	—	(7,006)	(7,006)
Net income	—	—	—	—	—	68,517	68,517	5,028	73,545
Balance – September 30, 2024	42,585,589	$ 633,684	188,608,777	$ 1,886	$ 2,363,259	$ 34,816	$ 3,033,645	$ 129,732	$ 3,163,377

Nine Months Ended September 30, 2024

Balance – January 1, 2024	42,585,589	$ 633,684	188,505,264	$ 1,885	$ 2,367,188	$ 115,216	$ 3,117,973	$ 136,632	$ 3,254,605
Repurchase - common stock	—	—	(935,739)	(9)	(11,399)	—	(11,408)	—	(11,408)
Stock-based compensation, net	—	—	1,039,252	10	7,470	—	7,480	—	7,480
Distributions - common stock	—	—	—	—	—	(243,834)	(243,834)	—	(243,834)
Distributions - preferred stock	—	—	—	—	—	(31,038)	(31,038)	—	(31,038)
Distributions - noncontrolling interest	—	—	—	—	—	—	—	(21,019)	(21,019)
Net income	—	—	—	—	—	194,472	194,472	14,119	208,591
Balance – September 30, 2024	42,585,589	$ 633,684	188,608,777	$ 1,886	$ 2,363,259	$ 34,816	$ 3,033,645	$ 129,732	$ 3,163,377

See Notes to Consolidated Financial Statements.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(in thousands)

	Nine Months Ended September 30,	
	2025	**2024**
Operating activities:		
Net income	$ 131,707	$ 208,591
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	14,947	6,937
Stock-based compensation	11,284	11,749
Amortization and accretion of interest and fees, net	9,790	(2,186)
Originations of loans held-for-sale	(3,451,737)	(3,119,339)
Proceeds from sales of loans held-for-sale, net of gain on sale	3,564,689	3,339,638
Payoffs and paydowns of loans held-for-sale	6,525	5,116
Mortgage servicing rights	(34,598)	(37,928)
Amortization of capitalized mortgage servicing rights	53,344	50,817
Write-off of capitalized mortgage servicing rights from payoffs	6,251	5,911
Provision for loss sharing (net of recoveries)	14,258	7,787
Provision for credit losses (net of recoveries)	47,773	64,903
Net recoveries for loss sharing obligations	(1,587)	1,156
Deferred tax benefit	(3,532)	(8,922)
Income from equity affiliates	(47,224)	(7,388)
Distributions from operations of equity affiliates	52,215	17,017
Change in fair value of held-for-sale loans	(2,824)	(1,113)
(Gain) loss on derivative instruments, net	(1,413)	4,711
Loss on extinguishment of debt	2,319	412
Loss (gain) on real estate	4,813	(3,813)
Changes in operating assets and liabilities	12,326	(129,211)
Net cash provided by operating activities	389,326	414,845
Investing Activities:		
Loans and investments funded, originated and purchased, net	(2,429,471)	(912,530)
Payoffs and paydowns of loans and investments	1,702,337	1,873,927
Deferred fees	22,601	16,176
Proceeds from sale of real estate, net	—	14,103
Contributions to equity affiliates	(9,943)	(17,845)
Distributions from equity affiliates	23,966	11,224
Payoffs and paydowns of securities held-to-maturity	222	305
Investment in real estate, net	(26,767)	(2,526)
Change in due to borrowers and reserves	(10,592)	(36,692)
Net cash (used in) provided by investing activities	(727,647)	946,142
Financing activities:		
Proceeds from credit and repurchase facilities	8,453,609	6,702,905
Payoffs and paydowns of credit and repurchase facilities	(7,870,768)	(6,681,812)
Payoffs and paydowns of securitized debt	(1,932,338)	(1,629,038)
Proceeds from issuance of securitized debt	1,486,329	—
Proceeds from mortgage note payable - REO	201,784	—
Payoffs and paydowns of mortgage notes payable - REO	(103,227)	(8,953)
Proceeds from issuance of common stock	70,518	—
Proceeds from issuance of senior unsecured notes	500,000	—
Payoffs and paydowns of senior unsecured notes	—	(90,000)
Payoff of convertible note	(287,500)	—
Payments of withholding taxes on net settlement of vested stock	(3,099)	(4,267)
Repurchase of common stock	—	(11,408)
Distributions to stockholders	(245,856)	(295,891)
Payment of deferred financing costs	(43,390)	(12,284)
Redemption of operating partnership units	(1,576)	—
Net cash provided by (used in) financing activities	224,486	(2,030,748)
Net decrease in cash, cash equivalents and restricted cash	(113,835)	(669,761)
Cash, cash equivalents and restricted cash at beginning of period	660,179	1,537,207
Cash, cash equivalents and restricted cash at end of period	$ 546,344	$ 867,446

See Notes to Consolidated Financial Statements.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) (Continued)
(in thousands)

	Nine Months Ended September 30,	
	2025	**2024**
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents at beginning of period	$ 503,803	$ 928,974
Restricted cash at beginning of period	156,376	608,233
Cash, cash equivalents and restricted cash at beginning of period	$ 660,179	$ 1,537,207
Cash and cash equivalents at end of period	$ 423,384	$ 687,540
Restricted cash at end of period	122,960	179,906
Cash, cash equivalents and restricted cash at end of period	$ 546,344	$ 867,446
Supplemental cash flow information:		
Cash used to pay interest	$ 500,342	$ 611,825
Cash used to pay taxes	17,736	23,735
Supplemental schedule of non-cash investing and financing activities:		
Real estate acquired in settlement of loans and investments, net	463,754	169,172
Settlement of loans and investments, net of real estate	(481,934)	(168,825)
Derecognition of real estate owned	185,945	112,987
Loan funded in conjunction with real estate sold	(194,055)	(114,850)
Distributions accrued on preferred stock	7,010	7,010

See Notes to Consolidated Financial Statements.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 1 — Description of Business

Arbor Realty Trust, Inc. (“we,” “us,” “our,” or the "Company") is a Maryland corporation formed in 2003. We are a nationwide real estate investment trust (“REIT”) and direct lender, providing loan origination and servicing for commercial real estate assets. We operate through two business segments: our Structured Loan Origination and Investment Business, or “Structured Business,” and our Agency Loan Origination and Servicing Business, or “Agency Business.”

Through our Structured Business, we invest in a diversified portfolio of structured finance assets in the multifamily, single-family rental (“SFR”) and commercial real estate markets, primarily consisting of bridge loans, in addition to mezzanine loans, junior participating interests in first mortgages and preferred equity. We also invest in real estate-related joint ventures and may directly acquire real property and invest in real estate-related notes and certain mortgage-related securities.

Through our Agency Business, we originate, sell and service a range of multifamily finance products through the Federal National Mortgage Association (“Fannie Mae”) and the Federal Home Loan Mortgage Corporation (“Freddie Mac,” and together with Fannie Mae, the government-sponsored enterprises, or “GSEs”), the Government National Mortgage Association (“Ginnie Mae”), Federal Housing Authority (“FHA”) and the U.S. Department of Housing and Urban Development (together with Ginnie Mae and FHA, “HUD”). We retain the servicing rights and asset management responsibilities on substantially all loans we originate and sell under the GSE and HUD programs. We are an approved Fannie Mae Delegated Underwriting and Servicing (“DUS”) lender nationally, a Freddie Mac Optigo® Conventional Loan and Small Balance Loan (“SBL”) lender, seller/servicer nationally and a HUD MAP and LEAN senior housing/healthcare lender nationally. We also originate and retain the servicing rights on permanent financing loans that are generally underwritten using the guidelines of our existing agency loans sold to the GSEs, which we refer to as “Private Label” loans, and originate and sell finance products through conduit/commercial mortgage-backed securities ("CMBS") programs. We either sell the Private Label loans instantaneously or pool and securitize them and sell certificates in the securitizations to third party investors, while retaining the highest risk bottom tranche certificate of the securitization.

Substantially all of our operations are conducted through our operating partnership, Arbor Realty Limited Partnership (“ARLP”), for which we serve as the indirect general partner, and ARLP’s subsidiaries. We are organized to qualify as a REIT for U.S. federal income tax purposes. A REIT is generally not subject to federal income tax on its REIT-taxable income that is distributed to its stockholders; provided that at least 90% of its taxable income is distributed and provided that certain other requirements are met. Certain of our assets that produce non-qualifying REIT income, primarily within the Agency Business, are operated through taxable REIT subsidiaries (“TRS”), which are part of our TRS consolidated group (the “TRS Consolidated Group”) and are subject to U.S. federal, state and local income taxes. In general, our TRS entities may hold assets that the REIT cannot hold directly and may engage in real estate or non-real estate-related business.

Note 2 — Basis of Presentation and Significant Accounting Policies

Basis of Presentation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”), for interim financial statements and the instructions to Form 10-Q. Accordingly, certain information and footnote disclosures normally included in the consolidated financial statements prepared under GAAP have been condensed or omitted. In our opinion, all adjustments considered necessary for a fair presentation of our financial position, results of operations and cash flows have been included and are of a normal and recurring nature. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. These financial statements should be read in conjunction with our financial statements and notes thereto included in our 2024 Annual Report.

Principles of Consolidation

The consolidated financial statements include our financial statements and the financial statements of our wholly owned subsidiaries, partnerships and other entities in which we have a controlling interest, including variable interest entities (“VIEs”) of which we are the primary beneficiary. Entities in which we have a significant influence are accounted for under the equity method. Our VIEs are described in Note 15. All significant intercompany transactions and balances have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that could materially affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ from those estimates. The ultimate impact of inflation, a currently high interest rate environment, tightening of capital markets and

reduced property values, both globally and to our business, makes any estimate or assumption at September 30, 2025 inherently less certain.

Recently Issued Accounting Pronouncements

Description	Effective Date	Effect on Financial Statements
In September 2025, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2025-07, Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract. The ASU introduces a new scope exception for certain contracts whose terms are linked to the specific operations or activities of one of the contracting parties and clarifies that share-based noncash consideration received from a customer should initially be accounted for under Topic 606 until the right to that consideration becomes unconditional. The guidance is intended to simplify the application of derivative accounting and reduce diversity in practice for share-based customer consideration.	First quarter of 2027, with early adoption permitted	We currently do not have any transactions that fall under the scope of this ASU.
In September 2025, the FASB issued ASU 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The ASU simplifies the accounting for internal-use software by removing the prescribed project stages and requiring capitalization of costs once management authorizes the project, commits funding, and determines completion is probable. It also brings website development costs under the same guidance and aligns related disclosures with those for property, plant and equipment.	First quarter of 2028, with early adoption permitted	We are not planning on early adoption and this guidance is not expected to have a material impact on our consolidated financial statements.
In July 2025, the FASB issued ASU 2025-05, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which simplifies the estimation of expected credit losses applied to revenue transactions from contracts with customers (pursuant to Topic 606). The ASU provides for the election of a practical expedient to assume that current conditions as of the balance sheet date do not change for the remaining life of the current accounts receivable and current contract assets. This would forego the existing requirement to develop forecasts of future economic conditions in estimating expected credit losses.	Fiscal year 2025 and interim periods within those annual periods, with early adoption permitted	We currently do not have any transactions that fall under the scope of this ASU.

In May 2025, the FASB issued ASU 2025-04, Compensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers (Topic 606): Clarifications to Share-Based Consideration Payable to a Customer. The ASU is intended to enhance consistency in practice and improve the transparency of accounting for share-based payments made to customers. Key provisions of the ASU include an updated definition of a "performance condition" to include vesting terms based on a customer's purchases or the purchases of the grantor's customers. The ASU also removes the existing accounting policy election that allowed entities to recognize forfeitures of customer awards as they occur. Instead, entities are now required to estimate expected forfeitures for awards with service conditions. Lastly, the ASU clarifies that the variable consideration constraint under ASC 606 does not apply to share-based consideration payable to customers.	First quarter of 2027, with early adoption permitted	We currently do not have any transactions that fall under the scope of this ASU.
In May 2025, the FASB issued ASU 2025-03, Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity. This ASU addresses concerns about inconsistent accounting outcomes in business combinations involving VIEs. Under current GAAP, the primary beneficiary of a VIE is automatically deemed the accounting acquirer in a business combination, regardless of transaction structure. The ASU revises this approach by requiring entities to assess specific criteria to determine the appropriate accounting acquirer when the following conditions are met: (1) the transaction is primarily effected through the exchange of equity interests, (2) the legal acquiree is a VIE, and (3) the legal acquiree qualifies as a business under ASC 805. The ASU is to be applied prospectively.	First quarter of 2027, with early adoption permitted	We currently do not have any transactions that fall under the scope of this ASU.

Significant Accounting Policies

See Item 8 – Financial Statements and Supplementary Data in our 2024 Annual Report for a description of our significant accounting policies. There have been no significant changes to our significant accounting policies since December 31, 2024.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
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Note 3 — Loans and Investments

Our Structured Business loan and investment portfolio consists of ($ in thousands):

	September 30, 2025	Percent of Total	Loan Count	Wtd. Avg. Pay Rate (1)	Wtd. Avg. Remaining Months to Maturity (2)	Wtd. Avg. First Dollar LTV Ratio (3)	Wtd. Avg. Last Dollar LTV Ratio (4)
Bridge loans (5)	$ 11,039,847	94 %	554	6.57 %	11.8	0 %	78 %
Mezzanine loans	291,405	2 %	62	7.47 %	53.6	58 %	78 %
Preferred equity investments	189,697	2 %	32	6.79 %	48.1	62 %	80 %
Construction - multifamily	187,813	2 %	8	9.43 %	26.8	0 %	79 %
Total UPB	11,708,762	100 %	656	6.64 %	13.7	2 %	78 %
Allowance for credit losses	(246,309)						
Unearned revenue	(32,035)						
Loans and investments, net (6)	$ 11,430,418						
	December 31, 2024						
Bridge loans (5)	$ 10,893,106	96 %	688	6.89 %	11.6	0 %	80 %
Mezzanine loans	255,556	2 %	58	7.52 %	51.8	51 %	82 %
Preferred equity investments	148,845	1 %	27	6.42 %	53.9	62 %	79 %
Construction - multifamily	4,367	<1 %	2	9.97 %	20.8	0 %	42 %
SFR permanent loans	3,082	<1 %	1	9.36 %	10.3	0 %	40 %
Total UPB	11,304,956	100 %	776	6.90 %	13.1	2 %	80 %
Allowance for credit losses	(238,967)						
Unearned revenue	(31,992)						
Loans and investments, net (6)	$ 11,033,997						

(1) "Weighted Average Pay Rate" is a weighted average, based on the unpaid principal balance ("UPB") of each loan in our portfolio, of the interest rate required to be paid as stated in the individual loan agreements. Certain loans and investments that require an accrual rate to be paid at maturity are not included in the weighted average pay rate as shown in the table.

(2) Including extension options, the weighted average remaining months to maturity at September 30, 2025 and December 31, 2024 was 20.3 and 22.7, respectively.

(3) The "First Dollar Loan-to-Value ("LTV") Ratio" is calculated by comparing the total of our senior most dollar and all senior lien positions within the capital stack to the fair value of the underlying collateral to determine the point at which we will absorb a total loss of our position.

(4) The "Last Dollar LTV Ratio" is calculated by comparing the total of the carrying value of our loan and all senior lien positions within the capital stack to the fair value of the underlying collateral to determine the point at which we will initially absorb a loss.

(5) At September 30, 2025 and December 31, 2024, bridge loans included 316 and 423, respectively, of SFR loans with a total gross loan commitment of $4.41 billion and $4.18 billion, respectively, of which $2.77 billion and $1.99 billion, respectively, was funded.

(6) Excludes exit fee receivables of $42.3 million and $46.6 million at September 30, 2025 and December 31, 2024, respectively, which is included in other assets on the consolidated balance sheets.

Concentration of Credit Risk

We are subject to concentration risk in that, at September 30, 2025, the UPB related to 64 loans with 5 different borrowers represented 9% of total assets. At December 31, 2024, the UPB related to 83 loans with 5 different borrowers represented 10% of total assets. During each of the three and nine months ended September 30, 2025 and the year ended December 31, 2024, no single loan or investment represented more than 10% of our total assets and no single investor group generated over 10% of our revenue. See Note 18 for details on our concentration of related party loans and investments.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
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We assign a credit risk rating of pass, pass/watch, special mention, substandard or doubtful to each loan and investment, with a pass rating being the lowest risk and a doubtful rating being the highest risk. Each credit risk rating has benchmark guidelines that pertain to debt-service coverage ratios, LTV ratios, borrower strength, asset quality, payment status in accordance with current contractual terms, and funded cash reserves. Other factors such as guarantees, market strength, and remaining loan term and borrower equity are also reviewed and factored into determining the credit risk rating assigned to each loan. This metric provides a helpful snapshot of portfolio quality and credit risk. All portfolio assets are subject to, at a minimum, a thorough quarterly financial evaluation in which historical operating performance and forward-looking projections are reviewed; however, we maintain a higher level of scrutiny and focus on loans that we consider "high risk" and that possess deteriorating credit quality.

Generally speaking, given our typical loan profile, risk ratings of pass, pass/watch and special mention suggest that we expect the borrower to make both principal and interest payments according to the contractual terms of the current loan agreement or, we expect to recover our investment, including accrued interest, based on the current value of the collateral and/or financial strength of the guarantors. A risk rating of substandard indicates we have observed weaknesses in one or more of the loan's credit quality factors and we anticipate the loan may require a modification of some kind to avoid a loss of interest and/or principal. A risk rating of doubtful indicates we expect the loan to underperform over its term, there could be loss of interest and/or principal, and we may need to take action to protect our investment including foreclosing on the underlying collateral. Further, while the above are the primary guidelines used in determining a certain risk rating, subjective items such as the financial strength of guarantors, market strength, asset quality, or a borrower's ability to perform under modified loan terms may result in a rating that is higher or lower than might be indicated by any risk rating matrix.

A summary of the loan portfolio's internal risk ratings and LTV ratios by asset class at September 30, 2025, and charge-offs recorded for the nine months ended September 30, 2025 is as follows ($ in thousands):

	UPB by Origination Year								
Asset Class / Risk Rating	**2025**	**2024**	**2023**	**2022**	**2021**	**Prior**	**Total**	**Wtd. Avg. First Dollar LTV Ratio**	**Wtd. Avg. Last Dollar LTV Ratio**
Multifamily:									
Pass	$ 442,488	$ 74,273	$ 27,819	$ 12,892	$ 34,849	$ 24,766	$ 617,087		
Pass/Watch	833,895	515,270	24,580	741,442	505,547	164,605	2,785,339		
Special Mention	18,000	168,278	263,218	1,711,896	2,108,540	125,594	4,395,526		
Substandard	—	—	21,100	132,149	360,164	—	513,413		
Doubtful	—	9,460	—	232,337	179,902	24,565	446,264		
Total Multifamily	$ 1,294,383	$ 767,281	$ 336,717	$ 2,830,716	$ 3,189,002	$ 339,530	$ 8,757,629	3 %	83 %
Single-Family Rental:						Percentage of portfolio	75 %		
Pass	$ 30,614	$ —	$ 69,481	$ 44,078	$ —	$ —	$ 144,173		
Pass/Watch	555,980	904,676	466,571	467,457	117,067	38,816	2,550,567		
Special Mention	2,304	—	33,075	19,675	—	—	55,054		
Doubtful	—	5,704	10,786	—	—	—	16,490		
Total Single-Family Rental	$ 588,898	$ 910,380	$ 579,913	$ 531,210	$ 117,067	$ 38,816	$ 2,766,284	0 %	62 %
Land:						Percentage of portfolio	24 %		
Pass/Watch	$ —	$ —	$ —	$ —	$ —	$ 2,291	$ 2,291		
Substandard	—	—	—	—	—	127,928	127,928		
Total Land	$ —	$ —	$ —	$ —	$ —	$ 130,219	$ 130,219	0 %	98 %
Office:						Percentage of portfolio	1 %		
Pass/Watch	$ —	$ —	$ —	$ —	$ —	$ 33,410	$ 33,410		
Total Office	$ —	$ —	$ —	$ —	$ —	$ 33,410	$ 33,410	0 %	88 %
Retail:						Percentage of portfolio	< 1%		
Substandard	$ —	$ —	$ —	$ —	$ —	$ 18,600	$ 18,600		
Doubtful	—	—	—	—	—	920	920		
Total Retail	$ —	$ —	$ —	$ —	$ —	$ 19,520	$ 19,520	0 %	88 %
Commercial:						Percentage of portfolio	< 1%		
Doubtful	$ —	$ —	$ —	$ —	$ —	$ 1,700	$ 1,700		
Total Commercial	$ —	$ —	$ —	$ —	$ —	$ 1,700	$ 1,700	0 %	100 %
						Percentage of portfolio	< 1%		
Grand Total	$ 1,883,281	$ 1,677,661	$ 916,630	$ 3,361,926	$ 3,306,069	$ 563,195	$ 11,708,762	2 %	78 %
Charge-offs	$ —	$ 3,000	$ —	$ 20,669	$ 12,074	$ —	$ 35,743		

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
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A summary of the loan portfolio's internal risk ratings and LTV ratios by asset class at December 31, 2024, and charge-offs recorded during 2024 is as follows ($ in thousands):

	UPB by Origination Year								
Asset Class / Risk Rating	**2024**	**2023**	**2022**	**2021**	**2020**	**Prior**	**Total**	**Wtd. Avg. First Dollar LTV Ratio**	**Wtd. Avg. Last Dollar LTV Ratio**
Multifamily:									
Pass	$ 308,228	$ 41,713	$ 69,000	$ 10,205	$ 2,010	$ 24,823	$ 455,979		
Pass/Watch	357,724	308,353	1,012,593	462,709	119,860	113,100	2,374,339		
Special Mention	79,618	31,344	2,340,782	2,958,064	—	94,529	5,504,337		
Substandard	—	658	159,100	206,277	—	21,700	387,735		
Doubtful	12,460	—	193,850	159,379	14,800	9,765	390,254		
Total Multifamily	$ 758,030	$ 382,068	$ 3,775,325	$ 3,796,634	$ 136,670	$ 263,917	$ 9,112,644	2 %	83 %
Single-Family Rental:						Percentage of portfolio	81 %		
Pass	$ 246,234	$ 32,875	$ 10,683	$ —	$ —	$ —	$ 289,792		
Pass/Watch	422,063	410,419	356,567	94,503	41,848	—	1,325,400		
Special Mention	—	31,043	139,125	107,155	87,967	—	365,290		
Doubtful	5,704	10,786	—	—	—	—	16,490		
Total Single-Family Rental	$ 674,001	$ 485,123	$ 506,375	$ 201,658	$ 129,815	$ —	$ 1,996,972	0 %	61 %
Land:						Percentage of portfolio	18 %		
Pass	$ 7,282	$ —	$ —	$ —	$ —	$ —	$ 7,282		
Special Mention	—	—	—	—	3,500	—	3,500		
Substandard	—	—	—	—	—	127,928	127,928		
Total Land	$ 7,282	$ —	$ —	$ —	$ 3,500	$ 127,928	$ 138,710	0 %	96 %
Office:						Percentage of portfolio	1 %		
Special Mention	$ —	$ —	$ —	$ —	$ 35,410	$ —	$ 35,410		
Total Office	$ —	$ —	$ —	$ —	$ 35,410	$ —	$ 35,410	0 %	94 %
Retail:						Percentage of portfolio	< 1%		
Substandard	$ —	$ —	$ —	$ —	$ —	$ 19,520	$ 19,520		
Total Retail	$ —	$ —	$ —	$ —	$ —	$ 19,520	$ 19,520	0 %	88 %
Commercial:						Percentage of portfolio	< 1%		
Doubtful	$ —	$ —	$ —	$ —	$ —	$ 1,700	$ 1,700		
Total Commercial	$ —	$ —	$ —	$ —	$ —	$ 1,700	$ 1,700	0 %	100 %
						Percentage of portfolio	< 1%		
Grand Total	$ 1,439,313	$ 867,191	$ 4,281,700	$ 3,998,292	$ 305,395	$ 413,065	$ 11,304,956	2 %	80 %
Charge-offs	$ 464	$ —	$ 4,077	$ 7,668	$ —	$ —	$ 12,209		

Geographic Concentration Risk

At September 30, 2025, underlying properties in Texas and Florida represented 24% and 18%, respectively, of the outstanding balance of our loan and investment portfolio. At December 31, 2024, underlying properties in Texas and Florida represented 23% and 17%, respectively, of the outstanding balance of our loan and investment portfolio. No other states represented 10% or more of the total loan and investment portfolio.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Allowance for Credit Losses

A summary of the changes in the allowance for credit losses is as follows (in thousands):

	Three Months Ended September 30, 2025						
	Multifamily	Land	Single-Family Rental	Retail	Commercial	Office	Total
Allowance for credit losses:							
Beginning balance	$ 152,320	$ 78,190	$ 7,312	$ 3,293	$ 1,700	$ 463	$ 243,278
Provision for credit losses (net of recoveries)	18,674	(321)	1,374	—	—	(96)	19,631
Charge-offs (1)	(16,600)	—	—	—	—	—	(16,600)
Ending balance	$ 154,394	$ 77,869	$ 8,686	$ 3,293	$ 1,700	$ 367	$ 246,309

	Three Months Ended September 30, 2024						
Allowance for credit losses:							
Beginning balance	$ 151,360	$ 78,450	$ 3,913	$ 3,293	$ 1,700	$ 207	$ 238,923
Provision for credit losses (net of recoveries)	12,121	311	307	—	—	(102)	12,637
Charge-offs (2)	(7,972)	—	—	—	—	—	(7,972)
Ending balance	$ 155,509	$ 78,761	$ 4,220	$ 3,293	$ 1,700	$ 105	$ 243,588

	Nine Months Ended September 30, 2025						
Allowance for credit losses:							
Beginning balance	$ 148,139	$ 78,130	$ 7,524	$ 3,293	$ 1,700	$ 181	$ 238,967
Provision for credit losses (net of recoveries)	41,998	(261)	1,162	—	—	186	43,085
Charge-offs (3)	(35,743)	—	—	—	—	—	(35,743)
Ending balance	$ 154,394	$ 77,869	$ 8,686	$ 3,293	$ 1,700	$ 367	$ 246,309

	Nine Months Ended September 30, 2024						
Allowance for credit losses:							
Beginning balance	$ 110,847	$ 78,058	$ 1,624	$ 3,293	$ 1,700	$ 142	$ 195,664
Provision for credit losses (net of recoveries)	54,622	703	2,596	—	—	(37)	57,884
Charge-offs (2)	(9,960)	—	—	—	—	—	(9,960)
Ending balance	$ 155,509	$ 78,761	$ 4,220	$ 3,293	$ 1,700	$ 105	$ 243,588

(1) Represents the allowance for credit losses on two multifamily bridge loans that were charged-off in connection with the foreclosure of the underlying collateral as real estate owned ("REO") assets at fair value.

(2) Includes $6.3 million of reserves on two multifamily bridge loans that we foreclosed on and took back the underlying collateral as REO assets at fair value.

(3) Includes $25.0 million of reserves on five multifamily bridge loans and a multifamily mezzanine loan that were charged-off in connection with the foreclosure of the underlying collateral as REO assets at fair value.

The additional provision for credit losses during the three and nine months ended September 30, 2025 was primarily attributable to specifically impaired multifamily loans, and to a lesser extent a weakening in the macroeconomic outlook of the commercial real estate market. Our estimate of allowance for credit losses on our structured portfolio, including related unfunded loan commitments, was based on a reasonable and supportable forecast period that reflects recent observable data, including price indices for commercial real estate, unemployment rates, and interest rates.

The expected credit losses over the contractual period of our loans also include the obligation to extend credit through our unfunded loan commitments. Estimates of current expected credit losses (“CECL”) for unfunded loan commitments are adjusted quarterly and correspond with the associated outstanding loans. At September 30, 2025 and December 31, 2024, we had outstanding unfunded

commitments of $2.00 billion and $2.20 billion, respectively, that we are obligated to fund as borrowers meet certain requirements. The outstanding unfunded commitments are predominantly related to our SFR build-to-rent ("BTR") business.

At September 30, 2025 and December 31, 2024, accrued interest receivable related to our loans totaling $160.0 million and $154.4 million, respectively, was excluded from the estimate of credit losses, is subject to our revenue recognition policy, and is included in other assets on the consolidated balance sheets.

All of our structured loans and investments are secured by real estate assets or by interests in real estate assets, and, as such, the measurement of credit losses may be based on the difference between the fair value of the underlying collateral and the carrying value of the assets as of the period end. A summary of our specific reserve loans considered impaired by asset class is as follows ($ in thousands):

	September 30, 2025				
Asset Class	UPB (1)	Carrying Value	Allowance for Credit Losses	Wtd. Avg. First Dollar LTV Ratio	Wtd. Avg. Last Dollar LTV Ratio
Multifamily	$ 493,301	$ 485,802	$ 60,687	0 %	100 %
Land	134,215	127,868	77,869	0 %	99 %
Retail	19,520	15,154	3,293	0 %	87 %
Commercial	1,700	1,700	1,700	0 %	100 %
Total	$ 648,736	$ 630,524	$ 143,549	0 %	99 %

	December 31, 2024				
Multifamily	$ 456,261	$ 444,400	$ 60,887	0 %	99 %
Land	134,215	127,868	77,869	0 %	99 %
Retail	19,520	15,068	3,293	0 %	87 %
Commercial	1,700	1,700	1,700	0 %	100 %
Total	$ 611,696	$ 589,036	$ 143,749	0 %	99 %

(1) Represents the UPB of 27 impaired loans (less unearned revenue and other holdbacks and adjustments) by asset class at both September 30, 2025 and December 31, 2024.

Non-performing Loans

Loans are classified as non-performing once the contractual payments exceed 60 days past due. Income from non-performing loans is generally recognized on a cash basis when it is received. Full income recognition will resume when the loan becomes contractually current, and performance has recommenced. At September 30, 2025, 25 loans with an aggregate net carrying value of $531.8 million, net of loan loss reserves of $22.9 million, were classified as non-performing and, at December 31, 2024, 26 loans with an aggregate net carrying value of $598.9 million, net of related loan loss reserves of $23.8 million, were classified as non-performing.

A summary of our non-performing loans by asset class is as follows (in thousands):

	September 30, 2025		December 31, 2024	
	UPB	Carrying Value	UPB	Carrying Value
Multifamily	$ 563,501	$ 552,146	$ 649,227	$ 620,072
Commercial	1,700	1,700	1,700	1,700
Retail	920	910	920	910
Total	$ 566,121	$ 554,756	$ 651,847	$ 622,682

At both September 30, 2025 and December 31, 2024, we had no loans contractually past due greater than 60 days that are still accruing interest.

Other Non-accrual Loans

In this challenging economic environment, we have been experiencing late and partial payments on certain loans in our structured portfolio. Therefore, for loans that are 60 days past due or less, if we have determined there is reasonable doubt about collectability of all

principal and interest, we classify those loans as non-accrual and recognize interest income only when cash is received. The table below is a summary of those loans that are 60 days past due or less that we have classified as non-accrual, and changes to those loans for the periods presented (in thousands).

	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2025
Beginning balance (3 and 9 multifamily bridge loans, respectively)	$ 56,912	$ 167,428
Loans that progressed to greater than 60 days past due	(56,912)	(139,202)
Loans modified or paid off	—	(86,165)
Loans transferred to REO	—	(48,500)
Additional loans classified as non-accrual	183,129	289,568
Ending balance (8 multifamily bridge loans)	$ 183,129	$ 183,129

	Three Months Ended September 30, 2024	Nine Months Ended September 30, 2024
Beginning balance (14 and 24 multifamily bridge loans, respectively)	$ 367,938	$ 956,917
Loans that progressed to greater than 60 days past due	(110,399)	(549,249)
Loans modified or paid off	(95,506)	(946,976)
Additional loans classified as non-accrual	157,194	858,535
Ending balance (10 multifamily bridge loans)	$ 319,227	$ 319,227

At September 30, 2025 and December 31, 2024, there were four loans and one loan, respectively, included in the table above, with a UPB of $98.5 million and $32.0 million, respectively, that have specific reserves totaling $15.3 million and $5.0 million, respectively.

We recorded interest income on non-performing and other non-accrual loans of $2.7 million and $12.5 million during the three and nine months ended September 30, 2025, respectively, and $5.0 million and $21.6 million during the three and nine months ended September 30, 2024, respectively.

We have ten bridge loans to the same borrower collateralized by multifamily properties with a UPB and net carrying value totaling $444.8 million and $442.1 million at September 30, 2025, respectively, and a weighted average interest rate of SOFR plus 3.25%. In the first quarter of 2025, the borrower was experiencing financial difficulty, and we modified these loans to a weighted average pay rate and weighted average deferred rate of SOFR plus 1.70% and 1.55%, respectively, which stepped up to a weighted average pay rate and weighted average deferred rate of SOFR plus 2.20% and 1.05%, respectively, at June 30, 2025. In the third quarter of 2025, as the borrower continued to experience financial difficulty, we entered into a second modification that granted a forbearance of the borrower's third quarter pay rate of interest, which totaled approximately $8 million for the three months ended September 30, 2025, and deferred payment of this amount until the maturity date of the loans. We also further modified these loans to a weighted average pay rate equal to SOFR and a weighted average deferred rate of 3.25%, with payments beginning in the fourth quarter of 2025. In connection with the second modification, we reversed certain amounts of previously accrued interest income, which is included in the $17.6 million interest income reversal disclosed in the "Loan Modifications" section below. These loans were not classified as non-performing loans at September 30, 2025, as the borrower is compliant with all of the terms and conditions of the new modification.

In addition, we have six loans with a carrying value totaling $121.4 million at September 30, 2025, that are collateralized by a land development project. The loans do not carry a current pay rate of interest, however, five of the loans with a carrying value totaling $112.1 million entitle us to a weighted average accrual rate of interest of 9.93%. In 2008, we suspended the recording of the accrual rate of interest on these loans, as they were impaired and we deemed the collection of this interest to be doubtful. At both September 30, 2025 and December 31, 2024, we had a cumulative allowance for credit losses of $71.4 million related to these loans. The loans are subject to certain risks associated with a development project including, but not limited to, availability of construction financing, increases in projected construction costs, demand for the development's outputs upon completion of the project, and litigation risk. Additionally, these loans were not classified as non-performing as the borrower is compliant with all of the terms and conditions of the loans.

Loan Modifications

We may agree to amend or modify loans to certain borrowers experiencing financial difficulty based on specific facts and circumstances in order to improve long-term collectability efforts and avoid foreclosure and repossession of the underlying collateral. The loan modifications to borrowers experiencing financial difficulty may include a delay in payments, including payment deferrals, term extensions, principal forgiveness, interest rate reductions, or a combination thereof. We record interest on modified loans on an accrual

basis to the extent the modified loan is contractually current and we believe it is ultimately collectible. The allowance for credit losses on loan modifications is measured using the same method as all other loans held for investment.

As part of the modifications of each of these loans, we generally expect borrowers to invest additional capital to recapitalize their projects, which the vast majority have funded in the form of either, or a combination of: (1) reallocation of and/or additional deposits into interest, renovation and/or general reserves; (2) the purchase of a new rate cap; (3) a principal paydown of the loan; and (4) bringing any delinquent loans current by paying past due interest owed.

The following table represents the UPB of loan modifications, as of the modification date, made to borrowers experiencing financial difficulty during the three months ended September 30, 2025 (in thousands):

Asset Class	Payment Deferrals With/Without Term Extensions (1)	Rate Reductions With/Without Term Extensions (2)	Total (3)(4)(5)
Multifamily	$ 775,178	$ —	$ 775,178
Office	—	33,410	33,410
Total UPB	$ 775,178	$ 33,410	$ 808,588

(1) These loans were modified to a weighted average pay rate and deferred rate of 4.83% and 2.87%, respectively, at September 30, 2025. Substantially all of these loans (total UPB of $746.8 million) were also modified to extend the weighted average term by 13.1 months. These modifications also include loans with a total UPB of $48.0 million in which the pay rate increases from time-to-time throughout the loans' maturities.
(2) This loan was modified to reduce the interest rate to a weighted average pay rate and deferred rate of 1.00% and 5.50%, respectively, and to extend the weighted average term by 4.4 months.
(3) The total UPB of these loan modifications was $804.6 million at September 30, 2025 and represented 7.04% of our total Structured Business loan and investment portfolio at September 30, 2025.
(4) At September 30, 2025, modified loans with a UPB of $32.2 million have specific reserves totaling $3.6 million.
(5) Includes loans with a total UPB of $473.2 million which were previously modified. Using the SOFR rate at September 30, 2025, these loans were modified from a weighted average pay rate and deferred rate of 5.86% and 1.56%, respectively, to a weighted average pay rate and deferred rate of 4.19% and 3.23%, respectively.

The following table represents the UPB of loan modifications, as of the modification date, made to borrowers experiencing financial difficulty during the nine months ended September 30, 2025 (in thousands):

Asset Class	Payment Deferrals With/Without Term Extensions (1)	Rate Reductions With/Without Term Extensions (2)	Other (3)	Total (4)(5)(6)
Multifamily	$ 1,769,448	$ 107,000	$ 83,975	$ 1,960,423
Single-Family Rental	—	—	16,490	16,490
Office	—	33,410	—	33,410
Total UPB	$ 1,769,448	$ 140,410	$ 100,465	$ 2,010,323

(1) These loans were modified to a weighted average pay rate and deferred rate of 4.95% and 2.71%, respectively, at September 30, 2025. A portion of these loans (total UPB of $972.0 million) were also modified to extend the weighted average term by 14.5 months. These modifications also include loans with a total UPB of $556.3 million in which the pay rate increases from time-to-time throughout the loans' maturities.
(2) These loans were modified to reduce the interest rate to a weighted average pay rate and deferred rate of 4.72% and 1.74%, respectively, at September 30, 2025 and to extend the weighted average term by 18.6 months.
(3) These loan modifications included amending certain terms, such as reallocating and/or replenishment of reserves, providing for a temporary and conditional forbearance of foreclosure and temporarily delaying past due interest payments.
(4) The total UPB of these loan modifications was $1.91 billion at September 30, 2025 and represented 16.70% of our total Structured Business loan and investment portfolio at September 30, 2025.
(5) At September 30, 2025, modified loans with a UPB of $143.3 million have specific reserves totaling $12.0 million.

(6) Includes loans with a total UPB of $993.3 million which were previously modified. Using the SOFR rate at September 30, 2025, these loans were modified from a weighted average pay rate and deferred rate of 6.22% and 1.38%, respectively, to a weighted average pay rate and deferred rate of 4.36% and 3.16%, respectively.

The following table represents the UPB of loan modifications, as of the modification date, made to borrowers experiencing financial difficulty during the three months ended September 30, 2024 (in thousands):

Asset Class	Payment Deferrals With/Without Term Extensions (1)	Term Extensions (2)	Other (3)	Total (4)(5)(6)
Multifamily	$ 710,667	$ 206,795	$ 236,850	$ 1,154,312

(1) These loans were modified to a weighted average pay rate and deferred rate of 6.01% and 2.58%, respectively, at September 30, 2024. A portion of these loans (total UPB of $618.8 million) were also modified to extend the weighted average term by 19.0 months. These modifications also include loans with a total UPB of $341.9 million in which the pay rate increases from time-to-time throughout the loans' maturities.
(2) These loans were modified to extend the weighted average term by 12.0 months.
(3) These loan modifications included amending certain terms, such as reallocating and/or replenishment of reserves.
(4) The total UPB of these loan modifications was $1.15 billion at September 30, 2024 and represented 10.0% of our total Structured Business loan and investment portfolio at September 30, 2024.
(5) At September 30, 2024, modified loans with a total UPB of $85.4 million have specific reserves totaling $8.1 million.
(6) Includes loans with a total UPB of $327.2 million which were previously modified. Using the SOFR rate at September 30, 2024, these loans were modified from a weighted average pay rate and deferred rate of 7.99% and 0.40%, respectively, to a weighted average pay rate and deferred rate of 6.38% and 2.02%, respectively.

The following table represents the UPB of loan modifications, as of the modification date, made to borrowers experiencing financial difficulty during the nine months ended September 30, 2024 (in thousands):

Asset Class	Payment Deferrals With/Without Term Extensions (1)	Term Extensions (2)	Rate Reduction Without Term Extension (3)	Other (4)	Total (5)(6)(7)
Multifamily	$ 2,105,792	$ 878,748	$ 18,400	$ 574,492	$ 3,577,432
Single-Family Rental	74,078	—	—	—	74,078
Total UPB	$ 2,179,870	$ 878,748	$ 18,400	$ 574,492	$ 3,651,510

(1) These loans were modified to a weighted average pay rate and deferred rate of 6.40% and 2.22%, respectively, at September 30, 2024. A significant portion of these loans (total UPB of $1.62 billion) were also modified to extend the weighted average term by 19.5 months. These modifications also include loans with a total UPB of $341.9 million in which the pay rate increases from time-to-time throughout the loans' maturities.
(2) These loans were modified to extend the weighted average term by 10.5 months.
(3) This loan was modified to reduce the weighted average interest rate by 0.72%.
(4) These loan modifications included amending certain terms, such as reallocating and/or replenishment of reserves.
(5) The total UPB of these loan modifications was $3.53 billion at September 30, 2024 and represented 30.5% of our total Structured Business loan and investment portfolio at September 30, 2024.
(6) At September 30, 2024, modified loans with a total UPB of $326.2 million have specific reserves totaling $43.8 million.
(7) Includes loans with a total UPB of $327.2 million which were previously modified. Using the SOFR rate at September 30, 2024, these loans were modified from a weighted average pay rate and deferred rate of 7.99% and 0.40%, respectively, to a weighted average pay rate and deferred rate of 6.38% and 2.02%, respectively.

During the three and nine months ended September 30, 2025, we recorded $1.4 million and $7.1 million, respectively, of deferred interest on the loans that we modified during 2025 and $7.7 million and $30.9 million, respectively, for loans previously modified or resolved. During the three and nine months ended September 30, 2024, we recorded $10.3 million and $17.6 million, respectively, of deferred interest on the loans that we modified during 2024 and $4.1 million and $13.3 million, respectively, for loans previously modified or resolved. All of these amounts include deferred interest recorded on loans previously disclosed under "Loan Resolutions". During the three and nine months ended September 30, 2025, we reversed through interest income $17.6 million and $25.2 million, respectively, of interest receivable that was previously accrued on modified loans that we deemed the collection of interest was doubtful. During both the

three and nine months ended September 30, 2024, we reversed through interest income $1.1 million of interest receivable that was previously accrued on modified loans that we deemed the collection of interest was doubtful.

At September 30, 2025 and December 31, 2024, we have recorded deferred interest totaling $71.7 million and $61.3 million, respectively, on all modified loans to borrowers experiencing financial difficulty, which includes deferred interest from loan resolutions. The deferred interest is included in other assets on the consolidated balance sheets.

At September 30, 2025 and December 31, 2024, we had future funding commitments on modified loans with borrowers experiencing financial difficulty of $20.6 million and $56.4 million, respectively, which are generally subject to performance covenants that must be met by the borrower to receive funding.

All loan modifications completed in the past 12 months were performing pursuant to their contractual terms at September 30, 2025, except for twenty-one loans with a total UPB of $504.7 million, which includes sixteen loans with a total UPB of $416.3 million that were modified to provide temporary rate relief through a pay and accrual feature. Since these loans are not performing pursuant to their modified terms, these loans are classified as non-accrual loans. Five of these loans with a UPB of $130.3 million have a specific loan loss reserve of $24.3 million. The remaining sixteen loans with a total UPB of $374.3 million have no specific reserves as the estimated fair value of the properties exceeded our carrying value at September 30, 2025.

There were no other material loan modifications, refinancings and/or extensions during the three and nine months ended September 30, 2025 and 2024 for borrowers experiencing financial difficulty.

Loan Resolutions

In June 2025, we exercised our right to foreclose on three properties in San Antonio, Texas that were the underlying collateral for a bridge loan with a UPB of $77.7 million, an interest rate of 5.25% with a SOFR floor of 0.50%, and a net carrying value of $66.6 million, which includes loan loss reserves of $3.5 million. At foreclosure, we recorded an additional loss of $5.9 million to the provision for credit losses on the consolidated statements of income and charged-off the $9.4 million loan loss reserve. We simultaneously sold the properties for $65.0 million to a new borrower and provided a $65.0 million bridge loan with an interest rate of SOFR plus 2.00% for years one and two, and SOFR plus 3.00% for year three, subject to SOFR floors of 4.25%, 5.25% and 6.25% in years one, two and three, respectively. The new loan was deemed to be a significant financing component of the transaction and, as a result, we recorded a loss and corresponding liability of $0.8 million as an adjustment to the purchase price, which will be accreted into interest income over the life of the loan.

In April 2025, we exercised our right to foreclose on two properties in Austin, Texas that were the underlying collateral for a non-performing bridge loan with a UPB of $21.2 million, an interest rate of SOFR plus 4.00% with a SOFR floor of 0.25%, and a net carrying value of $21.7 million. At foreclosure, we recorded an additional loss of $1.0 million to the provision for credit losses on the consolidated statements of income. We sold the properties in June 2025 for $20.7 million to a new borrower and provided a $19.2 million bridge loan with an interest rate of SOFR plus 2.00% in year one and SOFR plus 3.00% in year two. The new loan was deemed to be a significant financing component of the transaction and, as a result, we recorded a loss and corresponding liability of $0.1 million as an adjustment to the purchase price, which will be accreted into interest income over the life of the loan.

In April 2025, we exercised our right to foreclose on two properties in Orange Park, Florida that were the underlying collateral for a non-performing bridge loan with a UPB of $17.0 million, an interest rate of SOFR plus 4.38% with a SOFR floor of 2.46% and a net carrying value of $15.7 million. At foreclosure, we recorded an additional loss of $0.3 million to the provision for credit losses on the consolidated statements of income. We sold the properties in June 2025 for $15.4 million to a new borrower and provided a $14.8 million bridge loan with an interest rate of SOFR plus 1.50%. The new loan was deemed to be a significant financing component of the transaction and, as a result, we recorded a loss and corresponding liability of $0.6 million as an adjustment to the purchase price, which will be accreted into interest income over the life of the loan.

In the fourth quarter of 2024, we exercised our right to foreclose on two properties in Houston, Texas, that were the underlying collateral for two bridge loans with an aggregate UPB of $73.3 million, a weighted average interest rate of SOFR plus 3.29%, with a weighted average SOFR floor of 0.68%, and an aggregate net carrying value of $56.5 million, which includes loan loss reserves totaling $9.0 million and holdback reserves totaling $8.2 million. At foreclosure, we recorded a $7.7 million loan loss recovery and charged-off the remaining loan loss reserves of $1.3 million. Additionally, we simultaneously sold both properties for $67.6 million to a new borrower and provided two new bridge loans totaling $67.6 million with a weighted average fixed interest rate of 4.25% for the first two years and 5.75% in the third year. The new loans were deemed to be a significant financing component of the transaction and, as a result, we recorded a loss and corresponding liability totaling $5.0 million as an adjustment to the purchase price, which will be accreted into interest

income over the life of the loan. The gains and losses of this transaction were recorded through the provision for credit losses (net of recoveries) on the consolidated statements of income.

In July 2024, we exercised our right to foreclose on a property in Waco, Texas, that was the underlying collateral for a non-performing bridge loan with a UPB of $12.7 million, an interest rate of SOFR plus 3.75%, with a SOFR floor of 0.10%, and a net carrying value of $11.3 million, which was net of a $1.5 million loan loss reserve. At foreclosure, we recorded a $1.0 million loan loss recovery and charged-off the remaining loan loss reserve. Additionally, we simultaneously sold the property for $12.3 million to a new borrower and provided a new $12.3 million bridge loan with an interest rate of SOFR, with a SOFR floor of 5.25%, which was deemed to be a significant financing component of the transaction. As a result, we recorded a loss and corresponding liability of $1.0 million as an adjustment to the purchase price which will be accreted into interest income over the life of the loan. The gains and losses of this transaction were recorded through the provision for credit losses (net of recoveries).

In July 2024, we exercised our right to foreclose on a property in Savannah, Georgia, that was the underlying collateral for a non-performing bridge loan with a UPB of $7.3 million, an interest rate of SOFR plus 3.75%, with a SOFR floor of 0.10%, and a net carrying value of $6.6 million, which was net of a $0.8 million loan loss reserve. At foreclosure, we recorded a $0.8 million loan loss recovery and a gain of $0.3 million. Additionally, we simultaneously sold the property for $7.7 million to a new borrower and provided a new $7.3 million bridge loan with a fixed pay rate of 4.00% and a fixed accrual rate of 2.00% that is deferred to payoff, which was deemed to be a significant financing component of the transaction. As a result, we recorded a loss and corresponding liability of $0.5 million as an adjustment to the purchase price which will be accreted into interest income over the life of the loan. The gains and losses of this transaction were recorded through the provision for credit losses (net of recoveries).

In April 2024, we exercised our right to foreclose on a group of properties in Houston, Texas, that were the underlying collateral for a bridge loan with a UPB of $100.3 million. We simultaneously sold the properties for $101.3 million to a newly formed entity, which was initially capitalized with $15.0 million of equity and a new $95.3 million bridge loan that we provided at SOFR plus 3.00%. At September 30, 2025, total equity invested was $21.2 million and is made up of $9.4 million from AWC Real Estate Opportunity Partners I LP ("AWC"), a fund in which we have a 46% noncontrolling limited partnership interest (see Note 8 for details) and $11.8 million from multiple independent ownership groups. AWC and one of the other equity members are the co-managing members of the entity that owns the real estate. We did not record a loss on the original bridge loan and received all past due interest owed.

See Note 9 for additional loan resolution details.

Interest Reserves

Given the transitional nature of some of our real estate loans, we may require funds to be placed into an interest reserve as required by the contracts to cover debt service costs. At September 30, 2025 and December 31, 2024, we had total interest reserves of $254.5 million and $215.4 million, respectively, on 453 loans and 589 loans, respectively, with a total UPB of $8.18 billion and $8.65 billion, respectively.

Note 4 — Loans Held-for-Sale

Our GSE loans held-for-sale are typically sold within 60 days of loan origination, while our non-GSE loans are generally expected to be sold to third parties or securitized within 180 days of loan origination. Loans held-for-sale, net consists of the following (in thousands):

	September 30, 2025	December 31, 2024
Fannie Mae	$ 156,042	$ 171,235
Freddie Mac	82,105	159,201
Private Label	77,832	38,962
SFR - Fixed Rate	2,777	3,246
FHA	—	65,589
	318,756	438,233
Fair value of future MSR	3,329	5,138
Unrealized impairment recovery (loss)	1,444	(1,381)
Unearned discount	(4,322)	(6,231)
Loans held-for-sale, net	$ 319,207	$ 435,759

During the three and nine months ended September 30, 2025, we sold $2.03 billion and $3.56 billion, respectively, of loans held-for-sale. During the three and nine months ended September 30, 2024, we sold $1.12 billion and $3.34 billion, respectively, of loans held-for-sale.

At September 30, 2025 and December 31, 2024, there were no loans held-for-sale that were 90 days or more past due, and there were no loans held-for-sale that were placed on a non-accrual status.

Note 5 — Capitalized Mortgage Servicing Rights

Our capitalized mortgage servicing rights ("MSRs") reflect commercial real estate MSRs derived primarily from loans sold in our Agency Business or acquired MSRs. The discount rates used to determine the present value of all our MSRs throughout the periods presented were between 8% - 14% (representing a weighted average discount rate of 12%) based on our best estimate of market discount rates. The weighted average estimated life remaining of our MSRs was 6.3 years and 6.9 years at September 30, 2025 and December 31, 2024, respectively.

A summary of our capitalized MSR activity is as follows (in thousands):

	Three Months Ended September 30, 2025			Nine Months Ended September 30, 2025		
	Originated	Acquired	Total	Originated	Acquired	Total
Beginning balance	$ 344,630	$ 3,696	$ 348,326	$ 363,861	$ 4,817	$ 368,678
Additions	15,493	—	15,493	35,830	—	35,830
Amortization	(17,369)	(450)	(17,819)	(51,828)	(1,516)	(53,344)
Write-downs and payoffs	(1,067)	(20)	(1,087)	(6,176)	(75)	(6,251)
Ending balance	$ 341,687	$ 3,226	$ 344,913	$ 341,687	$ 3,226	$ 344,913

	Three Months Ended September 30, 2024			Nine Months Ended September 30, 2024		
Beginning balance	$ 374,159	$ 6,560	$ 380,719	$ 382,582	$ 8,672	$ 391,254
Additions	14,476	—	14,476	41,877	—	41,877
Amortization	(16,621)	(678)	(17,299)	(48,593)	(2,224)	(50,817)
Write-downs and payoffs	(1,469)	(24)	(1,493)	(5,321)	(590)	(5,911)
Ending balance	$ 370,545	$ 5,858	$ 376,403	$ 370,545	$ 5,858	$ 376,403

We collected prepayment fees totaling $0.5 million and $2.4 million during the three and nine months ended September 30, 2025, respectively, and $0.4 million and $1.2 million during the three and nine months ended September 30, 2024, respectively, which are included as a component of servicing revenue, net on the consolidated statements of income. At September 30, 2025 and December 31, 2024, no MSRs were considered impaired.

The expected amortization of capitalized MSRs recorded at September 30, 2025 is as follows (in thousands):

Year	Amortization
2025 (three months ending 12/31/2025)	$ 18,107
2026	68,823
2027	64,472
2028	57,480
2029	48,558
Thereafter	87,473
Total	$ 344,913

Based on scheduled maturities, actual amortization may vary from these estimates.

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Note 6 — Mortgage Servicing

Product and geographic concentrations that impact our servicing revenue are as follows ($ in thousands):

September 30, 2025				
Product Concentrations			**Geographic Concentrations**	
Product	**UPB (1)**	**% of Total**	**State**	**UPB % of Total**
Fannie Mae	$ 23,468,256	67 %	New York	12 %
Freddie Mac	7,090,516	20 %	Texas	10 %
Private Label	2,561,736	7 %	North Carolina	8 %
FHA	1,492,536	4 %	California	7 %
SFR - Fixed Rate	279,650	1 %	Florida	7 %
Bridge (2)	277,935	1 %	Georgia	6 %
Total	$ 35,170,629	100 %	New Jersey	5 %
			Other (3)	45 %
			Total	100 %

December 31, 2024				
Fannie Mae	$ 22,730,056	67 %	Texas	11 %
Freddie Mac	6,077,020	18 %	New York	11 %
Private Label	2,605,980	8 %	California	8 %
FHA	1,506,948	5 %	North Carolina	7 %
Bridge (2)	278,494	1 %	Georgia	6 %
SFR - Fixed Rate	271,859	1 %	Florida	6 %
Total	$ 33,470,357	100 %	New Jersey	5 %
			Other (3)	46 %
			Total	100 %

(1) Excludes loans which we are not collecting a servicing fee.
(2) Represents four bridge loans sold by our Structured Business that we are servicing.
(3) No other individual state represented 4% or more of the total.

At September 30, 2025 and December 31, 2024, our weighted average servicing fee was 36.2 basis points and 37.8 basis points, respectively. At September 30, 2025 and December 31, 2024, we held total escrow balances (including unfunded collateralized loan obligation holdbacks) of approximately $1.41 billion and $1.45 billion, respectively, of which approximately $1.40 billion and $1.41 billion, respectively, is not included in our consolidated balance sheets. These escrows are maintained in separate accounts at several federally insured depository institutions, which may exceed FDIC insured limits. We earn interest income on the total escrow deposits, which is generally based on a market rate of interest negotiated with the financial institutions that hold the escrow deposits. Interest earned on total escrows, net of interest paid to the borrower, is included as a component of servicing revenue, net in the consolidated statements of income as noted in the following table.

The components of servicing revenue, net are as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	**2024**	**2025**	**2024**
Servicing fees	$ 33,188	$ 31,159	$ 98,618	$ 94,089
Interest earned on escrows	14,865	18,362	41,267	54,011
Prepayment fees	505	413	2,402	1,205
Write-offs and payoffs of MSRs	(1,087)	(1,493)	(6,251)	(5,911)
Amortization of MSRs	(17,819)	(17,299)	(53,344)	(50,817)
Servicing revenue, net	$ 29,652	$ 31,142	$ 82,692	$ 92,577

Note 7 — Securities Held-to-Maturity

Agency Private Label Certificates ("APL certificates"). In connection with our Private Label securitizations, we retain the most subordinate class of the APL certificates in satisfaction of credit risk retention requirements. At September 30, 2025, we held APL certificates with an initial face value of $192.8 million, which were purchased at a discount for $119.0 million. These certificates are collateralized by 5-year to 10-year fixed rate first mortgage loans on multifamily properties, bear interest at an initial weighted average variable rate of 3.94% and have an estimated weighted average remaining maturity of 5.6 years. The weighted average effective interest rate was 8.84% at both September 30, 2025 and December 31, 2024, including the accretion of a portion of the discount deemed collectible. Approximately $63.6 million is estimated to mature in one to five years and $129.2 million is estimated to mature in five to ten years.

Agency B Piece Bonds. Freddie Mac may choose to hold, sell or securitize loans we sell to them under the Freddie Mac SBL program. As part of the securitizations under the SBL program, we have the ability to purchase the B Piece bond through a bidding process, which represents the bottom 10%, or highest risk, of the securitization. At September 30, 2025, we held 49%, or $106.2 million initial face value, of seven B Piece bonds, which were previously purchased at a discount for $74.7 million, and sold the remaining 51% to a third party. These securities are collateralized by a pool of multifamily mortgage loans, bear interest at an initial weighted average variable rate of 3.74% and have an estimated weighted average remaining maturity of 12.4 years. The weighted average effective interest rate was 11.50% and 11.76% at September 30, 2025 and December 31, 2024, respectively, including the accretion of a portion of the discount deemed collectible. Approximately $37.0 million is estimated to mature after ten years.

A summary of our securities held-to-maturity is as follows (in thousands):

	Face Value	Net Carrying Value	Unrealized Gain (Loss)	Estimated Fair Value	Allowance for Credit Losses
September 30, 2025					
APL certificates	$ 192,791	$ 139,114	$ (15,908)	$ 123,206	$ 1,715
B Piece bonds	36,999	16,855	15,249	32,104	14,168
Total	$ 229,790	$ 155,969	$ (659)	$ 155,310	$ 15,883
December 31, 2024					
APL certificates	$ 192,791	$ 134,834	$ (22,803)	$ 112,031	$ 1,658
B Piece bonds	37,221	22,320	10,157	32,477	9,188
Total	$ 230,012	$ 157,154	$ (12,646)	$ 144,508	$ 10,846

A summary of the changes in the allowance for credit losses for our securities held-to-maturity is as follows (in thousands):

	Three Months Ended September 30, 2025			Nine Months Ended September 30, 2025		
	APL Certificates	B Piece Bonds	Total	APL Certificates	B Piece Bonds	Total
Beginning balance	$ 2,107	$ 11,552	$ 13,659	$ 1,658	$ 9,188	$ 10,846
Provision for credit loss expense/(reversal)	(392)	2,616	2,224	57	4,980	5,037
Ending balance	$ 1,715	$ 14,168	$ 15,883	$ 1,715	$ 14,168	$ 15,883

	Three Months Ended September 30, 2024			Nine Months Ended September 30, 2024		
Beginning balance	$ 2,290	$ 6,842	$ 9,132	$ 2,272	$ 3,984	$ 6,256
Provision for credit loss expense/(reversal)	(459)	1,891	1,432	(441)	4,749	4,308
Ending balance	$ 1,831	$ 8,733	$ 10,564	$ 1,831	$ 8,733	$ 10,564

The allowance for credit losses on our held-to-maturity securities consists of (1) a general reserve estimated on a collective basis by major security type and was based on a reasonable and supportable forecast period and a historical loss reversion for similar securities, and (2) a specific reserve for underlying loans that are probable of, or are, in foreclosure. The issuers continue to make timely principal and interest payments and we continue to accrue interest on all our securities.

We recorded interest income (including the amortization of discount) related to these investments of $3.6 million and $10.7 million during the three and nine months ended September 30, 2025, respectively, and $3.0 million and $11.3 million during the three and nine months ended September 30, 2024, respectively.

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Note 8 — Investments in Equity Affiliates

We account for all investments in equity affiliates under the equity method. A summary of these investments is as follows (in thousands):

Equity Affiliates	Investments in Equity Affiliates at		UPB of Loans to Equity Affiliates at
	September 30, 2025	December 31, 2024	September 30, 2025
AWC Real Estate Opportunity Partners I LP	$ 17,908	$ 13,562	$ 108,450
Fifth Wall Ventures	16,461	14,490	—
AMAC Holdings III LLC	13,666	15,413	33,410
ARSR DPREF I LLC	5,643	5,603	—
Lightstone Value Plus REIT L.P.	1,895	1,895	—
The Park at Via Terrossa	585	606	21,845
Docsumo Pte. Ltd.	450	450	—
JT Prime	425	425	—
The Cypress at Wesley Park	265	—	14,964
Arbor Residential Investor LLC	—	23,868	—
West Shore Café	—	—	1,688
Lexford Portfolio	—	—	—
East River Portfolio	—	—	—
Total	$ 57,298	$ 76,312	$ 180,357

AWC Real Estate Opportunity Partners I LP. In the first quarter of 2025, in accordance with the fund's objectives, AWC brought in an additional capital partner who committed to a $3.0 million investment. The new partner further diluted our interest in the fund to a 46% limited partnership interest, from 49% at December 31, 2024. Certain investments made by AWC were in qualified properties that have outstanding bridge loans originated by us totaling $108.5 million and a $13.0 million Fannie Mae DUS loan we continue to service. During the three and nine months ended September 30, 2025, we made contributions of $2.4 million and $6.1 million, respectively, and recorded a loss of $0.6 million and $0.8 million, respectively, related to this investment. During the nine months ended September 30, 2025, we received distributions of $1.0 million, which were classified as returns of capital. Interest income recorded from the bridge loans was $2.1 million and $6.4 million for the three and nine months ended September 30, 2025, respectively. During the nine months ended September 30, 2024, we received net capital distributions of $11.2 million, which were classified as returns of capital. During the three and nine months ended September 30, 2024 we recorded a loss of $0.2 million and $0.4 million, respectively, from our investment in AWC. We also made $5.1 million and $13.6 million of additional contributions to the fund during the three and nine months ended September 30, 2024, respectively. Interest income recorded from the bridge loans was $2.4 million and $9.0 million for the three and nine months ended September 30, 2024, respectively.

Fifth Wall Ventures ("Fifth Wall"). During the three and nine months ended September 30, 2025, we recorded a loss of $0.1 million and income of $0.7 million, respectively, and made contributions of $0.7 million and $2.6 million, respectively. During the nine months ended September 30, 2025, we received distributions of $1.4 million, which were classified as returns of capital. During the three and nine months ended September 30, 2024, we recorded a loss of $0.3 million and income of $0.1 million, respectively, and made contributions of $0.1 million and $0.8 million, respectively.

AMAC Holdings III LLC ("AMAC III"). During the three and nine months ended September 30, 2025, we recorded a loss of $0.8 million and $2.6 million, respectively, and made contributions of $0.9 million for the nine months ended September 30, 2025. During the three and nine months ended September 30, 2024, we recorded a loss of $0.5 million and of $1.7 million, respectively, and during the nine months ended September 30, 2024, we made contributions of $2.6 million.

The Cypress at Wesley Park. In the third quarter of 2025, we originated a $15.0 million Fannie Mae loan, which was used to purchase a recently constructed SFR portfolio in Florida, and invested $0.3 million of equity for an approximate 5% ownership interest in the portfolio. The loan was sold to Fannie Mae during the quarter. Operating results from this investment were de minimus this period.

Arbor Residential Investor LLC ("ARI"). We invested $9.6 million for a 50% interest in ARI, with our former manager, Arbor Commercial Mortgage, LLC ("ACM"), holding the remaining 50%. ARI was formed to hold a 50% interest in Wakefield Investment Holdings LLC ("Wakefield"), an entity that was formed with a third party to hold a controlling interest (initially 65%) in a residential mortgage banking business. During the nine months ended September 30, 2025, we recorded a loss of $1.7 million and during the three and nine months ended September 30, 2024, we recorded a loss of $1.0 million and $0.1 million, respectively, to income from equity

affiliates in our consolidated statements of income. Additionally, during the three and nine months ended September 30, 2025, we received distributions of $16.4 million and $22.5 million, respectively, and during the nine months ended September 30, 2024, we received distributions of $7.7 million, which were classified as returns of capital.

In April 2025, Wakefield entered into an agreement to sell its interest in the residential mortgage banking business for $117.3 million. Based on the terms of this agreement, $22.0 million was allocated to us, which is equivalent to the carrying value of our investment, and therefore we did not record a gain or loss on the transaction. The transaction closed once the entire sales price was paid, which was due in installments as follows: $15.0 million on or before April 1, 2025; $15.0 million on or before April 30, 2025; and the remaining $87.3 million on or before December 15, 2025. The first two installments were made in April, for which we received $5.6 million as our allocable share, and the final installment was made on July 31, 2025, for which we received $16.4 million as our allocable share.

Lexford Portfolio. During the three and nine months ended September 30, 2025, we received distributions from this investment of $51.0 million and $54.4 million, respectively, and recognized income of $48.0 million and $51.4 million, respectively, net of $3.0 million in transaction related expenses. The distribution received in the third quarter of 2025 related to the sales of a portion of Lexford's multifamily asset portfolio. During the three and nine months ended September 30, 2024, we received distributions and recognized income of $4.9 million and $9.0 million, respectively.

See Note 18 for details of certain investments described above.

Note 9 — Real Estate Owned

A summary of our REO assets is as follows (in thousands):

	September 30, 2025				December 31, 2024			
	Multifamily	Office	Land	Total	Multifamily	Office	Land	Total
Land	$ 98,195	$ 13,599	$ 7,947	$ 119,741	$ 29,171	$ 13,599	$ 7,947	$ 50,717
Building and intangible assets	325,176	44,546	—	369,722	99,812	35,561	—	135,373
Less: Impairment loss	—	(2,500)	—	(2,500)	—	(2,500)	—	(2,500)
Less: Accumulated depreciation and amortization	(12,321)	(3,295)	—	(15,616)	(4,497)	(2,550)	—	(7,047)
Real estate owned, net	$ 411,050	$ 52,350	$ 7,947	$ 471,347	$ 124,486	$ 44,110	$ 7,947	$ 176,543

At September 30, 2025, our REO assets were comprised of twelve multifamily properties, two office buildings and two land parcels. At December 31, 2024, our REO assets were comprised of four multifamily properties, two office buildings and two land parcels.

During the three and nine months ended September 30, 2025, we foreclosed on two and twelve multifamily bridge loans, respectively, with an aggregate net carrying value of $107.8 million and $368.1 million, respectively, (net of specific CECL reserves of $16.6 million and $25.7 million, respectively) and received ownership of the underlying collateral as REO assets. Upon foreclosure, during the three and nine months ended September 30, 2025, we charged off $16.6 million and $25.0 million, respectively, of CECL reserves and recovered $0.7 million for the nine months ended September 30, 2025. Additionally, we recognized a loss of $1.7 million, which was recorded through (loss) gain on real estate on the consolidated statements of income during the nine months ended September 30, 2025.

During the three and nine months ended September 30, 2025, we sold one and four multifamily REO assets, respectively, for $10.1 million and $94.1 million, respectively, and during the nine months ended September 30, 2025, repaid mortgage notes outstanding of $49.1 million. During the three and nine months ended September 30, 2025, we recognized a loss of $0.2 million and a gain of $1.6 million, respectively, excluding the loss associated with the significant financing component discussed below. Additionally, we provided new bridge loan financing to the new borrowers totaling $10.1 million and $93.6 million, respectively. The bridge loans bear interest as follows: One loan has a fixed rate of 4.75% for the first year, 5.50% for the second year and 6.00% for the third year, one loan bears interest at a rate of SOFR plus 2.00%, one loan bears interest at a rate of 7.32%, subject to a floor of SOFR plus 3.00%, and one loan bears interest at a rate of 5.00% subject to a floor of SOFR plus 0.50% in the first year, 5.60% subject to a floor of SOFR + 1.10% in the second year and 6.00% subject to a floor of SOFR plus 1.50% in the third year. Three of the new financings provided were deemed to be a significant financing component of the transactions and, as a result, for the three and nine months ended September 30, 2025, we recorded a loss and corresponding liability of $0.4 million and $3.2 million, respectively, as an adjustment to the purchase price, which will be

accreted into interest income over the life of the loans. The net losses of these transactions were recorded through (loss) gain on real estate on the consolidated statements of income.

See Note 3 for details of properties foreclosed and sold within the same reporting period.

At September 30, 2025 and December 31, 2024, we had mortgage notes payable totaling $190.7 million and $74.9 million, respectively, which are collateralized by our REO assets. Interest rates on the mortgage notes range from PRIME plus 1.35% to SOFR plus 3.25%, with maturities spanning from December 2025 to June 2027.

At September 30, 2025 and December 31, 2024, our multifamily REO properties had a weighted average occupancy rate of approximately 37% and 77%, respectively. At both September 30, 2025 and December 31, 2024, both our office buildings were vacant.

We recorded depreciation expense related to the REO assets of $4.3 million and $11.8 million for the three and nine months ended September 30, 2025, respectively, and $0.8 million and $2.1 million for the three and nine months ended September 30, 2024, respectively.

Subsequent Event. In October 2025, we foreclosed on five loans with a total UPB of $127.4 million that have specific reserves totaling $17.8 million.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
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Note 10 — Debt Obligations

Credit and Repurchase Facilities

Borrowings under our credit and repurchase facilities are as follows ($ in thousands):

			September 30, 2025			December 31, 2024	
	Current Maturity	Extended Maturity	Debt Carrying Value (1)	Collateral Carrying Value	Wtd. Avg. Note Rate (2)	Debt Carrying Value (1)	Collateral Carrying Value
Structured Business							
$1.4B joint repurchase facility (3)	Jul. 2027	Jul. 2028	$ 644,810	$ 1,131,737	6.90%	$ 657,690	$ 1,104,791
$1.15B repurchase facility	(10)	N/A	1,007,631	1,309,997	6.06%	—	—
$1B repurchase facility (3)(12)	Oct. 2025	N/A	99,472	158,399	6.74%	215,459	336,193
$1B repurchase facility	(6)	N/A	748,819	1,045,813	6.80%	781,812	1,055,321
$750M repurchase facility (3)(7)	Dec. 2026	Dec. 2027	223,321	401,029	7.15%	202,798	362,695
$650M repurchase facility (3)(4)	Oct. 2026	N/A	434,009	587,022	6.70%	499,017	678,017
$400M credit facility	Mar. 2027	N/A	84,213	161,348	7.48%	138,695	237,123
$400M repurchase facility	Jan. 2027	Jan. 2028	125,477	181,492	6.95%	74,896	109,920
$350M repurchase facility	Mar. 2026	N/A	148,558	227,579	6.23%	134,189	203,135
$250M repurchase facility	Sept. 2027	(8)	52,653	82,283	7.33%	—	—
$250M repurchase facility	Oct. 2026	N/A	15,215	19,100	5.96%	—	—
$200M repurchase facility	Mar. 2027	Mar. 2028	19,495	26,581	6.77%	155,676	214,441
$150M repurchase facility	Jan. 2026	N/A	61,476	79,099	6.72%	108,696	145,148
$64M loan specific credit facilities	Jul. 2026 to Aug. 2026	Aug. 2027	63,420	87,000	6.15%	133,965	181,108
$40M credit facility	Apr. 2026	Apr. 2027	15,494	24,610	6.57%	15,387	24,610
$35M working capital facility	Apr. 2026	N/A	35,000	—	7.13%	—	—
Repurchase facility - securities (3)(5)	N/A	N/A	50,321	—	5.55%	18,549	—
Structured Business total (9)			$ 3,829,384	$ 5,523,089	6.61%	$ 3,136,829	$ 4,652,502
Agency Business							
$750M ASAP agreement	N/A	N/A	$ 94,468	$ 95,212	5.27%	$ 62,196	$ 62,372
$500M repurchase facility (11)	Nov. 2025	N/A	92,363	92,850	5.61%	40,872	41,165
$200M credit facility	Mar. 2026	N/A	28,689	28,815	5.64%	141,169	141,971
$200M credit facility	Jun. 2026	N/A	21,042	21,270	5.59%	137,762	138,793
$100M joint repurchase facility (3)	Jul. 2027	Jul. 2028	57,631	77,832	6.00%	28,611	38,962
$50M credit facility	Dec. 2025	N/A	—	—	5.59%	11,723	11,723
$1M repurchase facility (3)(4)	Oct. 2025	N/A	—	—	6.85%	328	469
Agency Business total			$ 294,193	$ 315,979	5.58%	$ 422,661	$ 435,455
Consolidated total			$ 4,123,577	$ 5,839,068	6.54%	$ 3,559,490	$ 5,087,957

(1) At September 30, 2025 and December 31, 2024, debt carrying value for the Structured Business was net of unamortized deferred finance costs of $9.9 million and $8.6 million, respectively, and for the Agency Business was net of unamortized deferred finance costs of $0.4 million and $0.2 million, respectively.
(2) At September 30, 2025 and December 31, 2024, all credit and repurchase facilities are variable rate loans.
(3) These facilities are subject to margin call provisions associated with changes in interest spreads.
(4) A portion of this facility was used to finance a fixed-rate SFR permanent loan reported through our Agency Business, which has been paid off.
(5) At September 30, 2025 and December 31, 2024, this facility was collateralized by certificates retained by us from our Freddie Mac Q Series securitization ("Q Series securitization") with a principal balance of $26.5 million and $26.6 million, respectively. At

September 30, 2025, this facility was also collateralized by investment grade notes we retained from our BTR CLO 1 securitization with a principal balance of $41.0 million.

(6) The commitment amount under this facility expires six months after the lender provides written notice. We then have an additional six months to repurchase the underlying loans.
(7) This facility has $500.0 million available for financing performing loans and $250.0 million available for financing non-performing loans.
(8) We have the ability to extend the maturity of this facility in one-year increments, subject to lender approval.
(9) These amounts exclude outstanding mortgage notes payable on our REO assets with a debt carrying value of $190.7 million and $74.9 million at September 30, 2025 and December 31, 2024, respectively.
(10) This facility matures at the latest maturity date of all purchased assets, which is currently June 2028.
(11) This facility was amended to temporarily increase its original amount of $500.0 million to $1.00 billion through September 2025, and subsequently to $750.0 million through November 2025.
(12) This facility matured in October 2025 and was not renewed.

Structured Business

At September 30, 2025 and December 31, 2024, the weighted average interest rate for the credit and repurchase facilities of our Structured Business, including certain fees and costs, such as structuring, commitment, non-use and warehousing fees, was 7.03% and 7.43%, respectively. The leverage on our loan and investment portfolio financed through our credit and repurchase facilities, excluding the securities repurchase facility and the working capital facility, was 68% and 67% at September 30, 2025 and December 31, 2024, respectively.

In September 2025, we amended the interest rate on a loan specific credit facility to SOFR plus 1.85% with a floor of 2.20% and extended the maturity to August 2026.

In August 2025, we amended a $1.00 billion repurchase facility to allow loans over 60 days delinquent to remain in the facility for up to two years. Permitted delinquent loans have an interest rate of SOFR plus 3.00% and can comprise up to 10% of the outstanding facility balance, or up to 15% at the lender's discretion.

In July 2025, we amended a $2.00 billion joint repurchase facility, shared by the Structured and Agency businesses, to reduce the facility size to $1.50 billion and extended the maturity to July 2027, with a one-year extension option.

In May 2025, we amended the interest rate on a $150.0 million repurchase facility to SOFR plus 2.50%, with an all-in floor of 5.50%, from SOFR plus 3.00%, with an all-in floor of 5.50%, contingent upon certain designated loans remaining in the facility through August 2025.

In March 2025, we entered into a $1.15 billion repurchase facility to finance the loans primarily held in our CLOs. This facility has a 24-month reinvestment period through March 2027. The facility has an interest rate of SOFR plus 1.85% and matures at the latest maturity date of all purchased assets, which is currently February 2028. Additionally, this facility is approximately 88% non-recourse to us and has an 80% advance rate.

In January 2025, we amended a $200.0 million repurchase facility to increase the facility size to $400.0 million and extend the maturity to January 2027, with a one-year extension option.

Agency Business

In August 2025, we amended our $75.0 million letter of credit agreement which secures our obligations under the Fannie Mae DUS program and the Freddie Mac SBL program to extend the maturity two years to September 2027.

Securitized Debt

We account for securitized debt transactions on our consolidated balance sheet as financing facilities. These transactions are considered VIEs for which we are the primary beneficiary and are consolidated in our financial statements. The investment grade notes and guaranteed certificates issued to third parties are treated as secured financings and are non-recourse to us.

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Borrowings and the corresponding collateral under our securitized debt transactions are as follows ($ in thousands):

	Debt			Collateral (3)		
				Loans		Cash
September 30, 2025	**Face Value**	**Carrying Value (1)**	**Wtd. Avg. Rate (2)**	**UPB**	**Carrying Value**	**Restricted Cash (4)**
CLO 20	$ 933,187	$ 923,834	5.95 %	$ 962,110	$ 957,681	$ 80,736
BTR CLO 1	555,475	547,057	6.71 %	715,892	713,880	—
CLO 18 (5)	1,075,278	1,074,188	6.33 %	1,468,750	1,467,442	—
CLO 17 (5)	1,142,346	1,141,620	6.06 %	1,530,165	1,530,091	—
CLO 16 (5)	482,054	481,453	5.91 %	744,397	744,062	—
Total CLOs	$ 4,188,340	$ 4,168,152	6.17 %	$ 5,421,314	$ 5,413,156	$ 80,736
Q Series securitization (6)	—	—	— %	50,600	50,600	—
Total securitized debt	$ 4,188,340	$ 4,168,152	6.17 %	$ 5,471,914	$ 5,463,756	$ 80,736
December 31, 2024						
CLO 19	$ 753,987	$ 751,364	7.02 %	$ 912,935	$ 912,392	$ —
CLO 18	1,335,647	1,332,950	6.47 %	1,684,765	1,684,285	37,090
CLO 17	1,482,657	1,480,495	6.15 %	1,811,391	1,810,463	50,910
CLO 16	682,845	681,008	5.93 %	944,660	943,542	—
CLO 14	326,238	326,238	6.11 %	452,751	452,526	—
Total CLOs (5)	4,581,374	4,572,055	6.35 %	5,806,502	5,803,208	88,000
Q Series securitization	50,641	50,434	6.49 %	94,940	94,895	—
Total securitized debt	$ 4,632,015	$ 4,622,489	6.35 %	$ 5,901,442	$ 5,898,103	$ 88,000

(1) Debt carrying value is net of $20.2 million and $9.5 million of deferred financing fees at September 30, 2025 and December 31, 2024, respectively.
(2) At September 30, 2025 and December 31, 2024, the aggregate weighted average note rate for our collateralized loan obligations ("CLO"), including certain fees and costs, was 6.42% and 6.59%, respectively, and the Q Series securitization was 7.46% at December 31, 2024.
(3) At September 30, 2025 and December 31, 2024, 54 and 46 loans, respectively, with a total UPB of $2.02 billion and $1.60 billion, respectively, were deemed a "credit risk" as defined by the CLO indentures. A credit risk asset is generally defined as one that, in the CLO collateral manager's reasonable business judgment, has a significant risk of becoming a defaulted asset.
(4) Represents restricted cash held for principal repayments as well as for reinvestment in the CLOs. Does not include restricted cash related to interest payments, delayed fundings and expenses totaling $12.5 million and $43.4 million at September 30, 2025 and December 31, 2024, respectively.
(5) The replenishment period for the following CLOs has ended: CLO 14 - September 2023, CLO 16 – March 2024, CLO 19 – May 2024, CLO 17 – June 2024 and CLO 18 – August 2024.
(6) All third party amounts have been paid down and only our tranches remain.

CLO 20. In August 2025, we completed CLO 20, through a wholly owned subsidiary, issuing nine tranches of CLO notes totaling $1.05 billion. Of the total CLO notes issued, $933.2 million consisted of investment grade notes issued to third party investors. The remaining $116.8 million were below investment grade notes retained by us. As of the CLO closing date, the notes were secured by a portfolio of real estate related assets and cash with a face value of $926.8 million, with the real estate related assets primarily comprised of first-lien mortgage bridge loans contributed from our existing loan portfolio. The CLO has an approximate two and a half year replacement period, during which principal and sale proceeds from the underlying loans may be reinvested into qualifying replacement loan obligations, subject to conditions outlined in the indenture. Thereafter, the outstanding debt balance will decrease as loans are repaid. Initially, the proceeds of the issuance also included $123.2 million for the purpose of acquiring additional loan obligations within 180 days from the CLO closing date, of which $42.5 million has been utilized to date, with the remaining amount expected to be fully utilized. Following the 180 day ramp up period and assuming the entire committed amount under the senior revolving note is utilized, the issuer will own loan obligations with a face value of $1.05 billion, representing leverage of 89%. The notes sold to third parties had an initial weighted average interest rate of 1.82% plus term SOFR, with interest payable monthly.

BTR CLO 1. In May 2025, we completed BTR CLO 1, through a wholly owned subsidiary, issuing 11 tranches of CLO notes totaling $801.9 million. Of the total CLO notes issued, $682.6 million consisted of investment grade notes, $41.0 million of which were retained by us (including $31.8 million we financed), with the remainder issued to third party investors. The remaining $119.3 million were below investment grade notes and fully retained by us. As of the CLO closing date, the notes were secured by a portfolio of real estate related assets and cash with a face value of $583.6 million, with the real estate related assets primarily comprised of first-lien mortgage construction and bridge loans secured by build-to-rent properties contributed from our existing loan portfolio. The CLO has an approximate two-year replacement period, during which principal and sale proceeds from the underlying loans may be reinvested into qualifying replacement loan obligations, subject to conditions outlined in the indenture. The CLO also includes a $200.0 million senior revolving note, which may be used to fund construction draws, acquire collateral at closing, or purchase replacement assets during the replacement period, of which $114.1 million had been drawn at September 30, 2025. Thereafter, the outstanding debt balance will decrease as loans are repaid. Initially, the proceeds of the issuance also included $50.0 million for the purpose of acquiring additional loan obligations within 180 days from the CLO closing date, which we subsequently utilized, resulting in the issuer owning loan obligations with a face value of $801.9 million, representing leverage of 80%, or 84% after factoring in the financed portion of our retained investment grade notes. The notes sold to third parties had an initial weighted average interest rate of 2.48% plus term SOFR, with interest payable monthly.

CLO 14 and 19. In March 2025, we unwound CLO 14 and 19, redeeming the remaining outstanding notes totaling $1.08 billion, which were repaid from a new $1.15 billion repurchase facility. We expensed $2.3 million of deferred financing fees related to the unwind of these CLOs, into loss on extinguishment of debt on the consolidated statements of income.

Securitization Paydowns. During the nine months ended September 30, 2025, outstanding notes totaling $852.1 million on our existing CLOs and Q Series securitization have been paid down.

Subsequent Event. In October 2025, we unwound CLO 16, redeeming the remaining outstanding notes totaling $482.1 million, which were repaid from the refinancing of the remaining assets within CLO 20 and the availability in our credit and repurchase facilities.

Senior Unsecured Notes

A summary of our senior unsecured notes is as follows ($ in thousands):

Senior Unsecured Notes (3)	Issuance Date	Maturity	September 30, 2025			December 31, 2024		
			UPB	Carrying Value (1)	Wtd. Avg. Rate (2)	UPB	Carrying Value (1)	Wtd. Avg. Rate (2)
7.875% Notes	Jul. 2025	Jul. 2030	$ 500,000	$ 489,050	7.875 %	$ —	$ —	— %
9.00% Notes	Oct. 2024	Oct. 2027	100,000	98,788	9.00 %	100,000	98,352	9.00 %
7.75% Notes	Mar. 2023	Mar. 2026	95,000	94,709	7.75 %	95,000	94,275	7.75 %
8.50% Notes	Oct. 2022	Oct. 2027	150,000	148,920	8.50 %	150,000	148,531	8.50 %
5.00% Notes	Dec. 2021	Dec. 2028	180,000	178,620	5.00 %	180,000	178,300	5.00 %
4.50% Notes	Aug. 2021	Sept. 2026	270,000	269,229	4.50 %	270,000	268,601	4.50 %
5.00% Notes	Apr. 2021	Apr. 2026	175,000	174,633	5.00 %	175,000	174,161	5.00 %
4.50% Notes	Mar. 2020	Mar. 2027	275,000	274,289	4.50 %	275,000	273,927	4.50 %
			$ 1,745,000	$ 1,728,238	6.35 %	$ 1,245,000	$ 1,236,147	5.73 %

(1) At September 30, 2025 and December 31, 2024, the carrying value is net of deferred financing fees of $16.8 million and $8.9 million, respectively.
(2) At September 30, 2025 and December 31, 2024, the aggregate weighted average note rate, including certain fees and costs, was 6.71% and 6.02%, respectively.
(3) These notes can be redeemed by us prior to three months before the maturity date, at a redemption price equal to 100% of the aggregate principal amount, plus a "make-whole" premium and accrued and unpaid interest. We have the right to redeem the notes within three months prior to the maturity date at a redemption price equal to 100% of the aggregate principal amount, plus accrued and unpaid interest.

In July 2025, we issued $500.0 million aggregate principal amount of 7.875% senior unsecured notes due July 2030 in a private offering. We used a portion of the net proceeds from this offering to repay our remaining outstanding $287.5 million 7.50% convertible notes due August 2025 and to add approximately $200.0 million of liquidity.

Convertible Senior Unsecured Notes

In August 2025, our 7.50% convertible senior unsecured notes with a UPB totaling $287.5 million matured and were fully settled with a portion of the net proceeds received from our 7.875% senior unsecured notes issued in July 2025.

The UPB and net carrying value of our convertible notes at December 31, 2024 were as follows (in thousands):

UPB	Unamortized Deferred Financing Fees	Net Carrying Value
$287,500	$1,647	$285,853

During the three months ended September 30, 2025, we incurred interest expense on the notes totaling $2.0 million, of which $1.8 million and $0.2 million related to the cash coupon and deferred financing fees, respectively. During the nine months ended September 30, 2025, we incurred interest expense on the notes totaling $14.2 million, of which $12.6 million and $1.6 million related to the cash coupon and deferred financing fees, respectively. During the three months ended September 30, 2024, we incurred interest expense on the notes totaling $6.1 million, of which $5.4 million and $0.7 million related to the cash coupon and deferred financing fees, respectively. During the nine months ended September 30, 2024, we incurred interest expense on the notes totaling $18.3 million, of which $16.2 million and $2.1 million related to the cash coupon and deferred financing fees, respectively. Including the amortization of the deferred financing fees, our weighted average total cost of the notes was 8.43% at December 31, 2024.

Junior Subordinated Notes

The carrying values of borrowings under our junior subordinated notes were $145.3 million and $144.7 million at September 30, 2025 and December 31, 2024, respectively, which is net of a deferred amount of $7.8 million and $8.3 million, respectively, (which is amortized into interest expense over the life of the notes) and deferred financing fees of $1.3 million and $1.4 million, respectively. These notes have maturities ranging from March 2034 through April 2037 and pay interest quarterly at a floating rate. The weighted average note rate was 6.85% and 7.18% at September 30, 2025 and December 31, 2024, respectively. Including certain fees and costs, the weighted average note rate was 6.93% and 7.26% at September 30, 2025 and December 31, 2024, respectively.

Debt Covenants

Credit and Repurchase Facilities and Unsecured Debt. The credit and repurchase facilities and unsecured debt (senior and convertible notes) contain various financial covenants, including, but not limited to, minimum liquidity requirements, minimum net worth requirements, minimum unencumbered asset requirements, as well as certain other debt service coverage ratios, debt to equity ratios and minimum servicing portfolio tests. We were in compliance with all financial covenants and restrictions at September 30, 2025.

CLOs. Our CLO vehicles contain interest coverage and asset overcollateralization covenants that must be met as of the waterfall distribution date in order for us to receive such payments. If we fail these covenants in any of our CLOs, all cash flows from the applicable CLO would be diverted to repay principal and interest on the outstanding CLO bonds and we would not receive any residual payments until that CLO regained compliance with such tests. Our CLOs were in compliance with all such covenants at September 30, 2025, as well as on the most recent determination dates in October 2025. In the event of a breach of the CLO covenants that could not be cured in the near-term, we would be required to fund our non-CLO expenses, including employee costs, distributions required to maintain our REIT status, debt costs, and other expenses with (1) cash on hand, (2) income from any CLO not in breach of a covenant test, (3) income from real property and loan assets, (4) sale of assets, or (5) accessing the equity or debt capital markets, if available. We have the right to cure covenant breaches which would resume normal residual payments to us by purchasing non-performing loans out of the CLOs. However, we may not have sufficient liquidity available to do so at such time.

Our CLO compliance tests as of the most recent determination dates in October 2025 are as follows:

Cash Flow Triggers	CLO 16	CLO 17	CLO 18	BTR CLO 1	CLO 20
Overcollateralization (1)					
Current	144.48 %	127.02 %	131.38 %	117.47 %	112.52 %
Limit	120.21 %	121.51 %	123.03 %	115.47 %	110.52 %
Pass / Fail	Pass	Pass	Pass	Pass	Pass
Interest Coverage (2)					
Current	177.92 %	137.35 %	122.55 %	151.95 %	131.19 %
Limit	120.00 %	120.00 %	120.00 %	120.00 %	120.00 %
Pass / Fail	Pass	Pass	Pass	Pass	Pass

(1) The overcollateralization ratio divides the total principal balance of all collateral in the CLO by the total principal balance of the bonds associated with the applicable ratio. To the extent an asset is considered a defaulted security, the asset's principal balance for purposes of the overcollateralization test is the lesser of the asset's market value or the principal balance of the defaulted asset multiplied by the asset's recovery rate which is determined by the rating agencies. Rating downgrades of CLO collateral will generally not have a direct impact on the principal balance of a CLO asset for purposes of calculating the CLO overcollateralization test unless the rating downgrade is below a significantly low threshold (e.g., CCC-) as defined in each CLO vehicle.
(2) The interest coverage ratio divides interest income by interest expense for the classes senior to those retained by us.

Our CLO overcollateralization ratios as of the determination dates subsequent to each quarter are as follows:

Determination (1)	CLO 16	CLO 17	CLO 18	BTR CLO 1	CLO 20
October 2025	144.48 %	127.02 %	131.38 %	117.47 %	112.52 %
July 2025	140.90 %	124.46 %	130.03 %	117.47 %	N/A
April 2025	142.15 %	122.65 %	127.91 %	N/A	N/A
January 2025	136.19 %	122.10 %	123.89 %	N/A	N/A
October 2024	129.98 %	123.14 %	124.20 %	N/A	N/A

(1) This table represents the quarterly trend of our overcollateralization ratio, however, the CLO determination dates are monthly and we were in compliance with this test for all periods presented.

The ratio will fluctuate based on the performance of the underlying assets, transfers of assets into the CLOs prior to the expiration of their respective replenishment dates, purchase or disposal of other investments, and loan payoffs. No payment due under the junior subordinated indentures may be paid if there is a default under any senior debt and the senior lender has sent notice to the trustee. The junior subordinated indentures are also cross-defaulted with each other.

Note 11 — Allowance for Loss-Sharing Obligations

Our allowance for loss-sharing obligations related to the Fannie Mae DUS program is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Beginning balance	$ 89,757	$ 76,561	$ 83,150	$ 71,634
Provisions for loss sharing	9,166	3,521	17,815	9,294
Provisions reversal for loan repayments	(910)	(341)	(3,557)	(735)
Recoveries (charge-offs), net	(2,192)	836	(1,587)	384
Ending balance	$ 95,821	$ 80,577	$ 95,821	$ 80,577

When a loan is sold under the Fannie Mae DUS program, we undertake an obligation to partially guarantee the performance of the loan. A liability is recognized for the fair value of the guarantee obligation undertaken for the non-contingent aspect of the guarantee and is

removed only upon either the expiration or settlement of the guarantee. At September 30, 2025 and December 31, 2024, we had $35.4 million and $34.8 million, respectively, of guarantee obligations included in the allowance for loss-sharing obligations.

In addition to and separately from the fair value of the guarantee, we estimate our allowance for loss-sharing under CECL over the contractual period in which we are exposed to credit risk. The general reserve related to loss-sharing was based on a collective pooling basis with similar risk characteristics, a reasonable and supportable forecast and a reversion period based on our average historical losses through the remaining contractual term of the portfolio. In instances where payment under the loss-sharing obligations of a loan is determined to be probable and estimable (as the loan is probable of, or is, in foreclosure), we record a liability for the estimated loss-sharing specific reserve.

When we settle a loss under the DUS loss-sharing model, the net loss is charged-off against the previously recorded loss-sharing obligation. The settled loss is often net of any previously advanced principal and interest payments in accordance with the DUS program, which are reflected as reductions to the proceeds needed to settle losses. At September 30, 2025 and December 31, 2024, we had outstanding advances of $3.5 million and $1.9 million, respectively, which were netted against the allowance for loss-sharing obligations.

At September 30, 2025 and December 31, 2024, our allowance for loss-sharing obligations, associated with expected losses under CECL, was $60.4 million and $48.3 million, respectively, and represented 0.26% and 0.21%, respectively, of our Fannie Mae servicing portfolio. During the three and nine months ended September 30, 2025, we recorded an increase in CECL reserves of $5.6 million and $12.1 million, respectively. During the three and nine months ended September 30, 2024, we recorded an increase in CECL reserves of $4.0 million and $8.8 million, respectively.

At September 30, 2025 and December 31, 2024, the maximum quantifiable liability associated with our guarantees under the Fannie Mae DUS agreement was $4.48 billion and $4.30 billion, respectively. The maximum quantifiable liability is not representative of the actual loss we would incur. We would be liable for this amount only if all of the loans we service for Fannie Mae, for which we retain some risk of loss, were to default and all of the collateral underlying these loans was determined to be without value at the time of settlement.

Note 12 — Derivative Financial Instruments

We enter into derivative financial instruments to manage exposures that arise from business activities resulting in the receipt or payment of future known and uncertain cash amounts, the value of which are determined by interest rates and credit risk. We do not use these derivatives for speculative purposes, but are instead using them to manage our interest rate and credit risk exposure.

Agency Rate Lock and Forward Sale Commitments. We enter into contractual commitments to originate and sell mortgage loans at fixed prices with fixed expiration dates. The commitments become effective when the borrower "rate locks" a specified interest rate within time frames established by us. All potential borrowers are evaluated for creditworthiness prior to the extension of the commitment. Market risk arises if interest rates move adversely between the time of the rate lock by the borrower and the sale date of the loan to an investor. To mitigate the effect of the interest rate risk inherent in providing rate lock commitments to borrowers under the GSE programs, we enter into a forward sale commitment with the investor simultaneously with the rate lock commitment with the borrower. The forward sale contract locks in an interest rate and price for the sale of the loan. The terms of the contract with the investor and the rate lock with the borrower are matched in substantially all aspects, with the objective of eliminating interest rate risk to the extent practical. Sale commitments with the investors have an expiration date that is longer than our related commitments to the borrower to allow, among other things, for closing of the loan and processing of paperwork to deliver the loan into the sale commitment.

These commitments meet the definition of a derivative and are recorded at fair value, including the effects of interest rate movements which are reflected as a component of gain (loss) on derivative instruments, net in the consolidated statements of income. The estimated fair value of rate lock commitments also includes the fair value of the expected net cash flows associated with the servicing of the loan which is recorded as income from MSRs in the consolidated statements of income. During the three and nine months ended September 30, 2025, we recorded net losses of $2.1 million and net gains of $3.3 million, respectively, from changes in the fair value of these derivatives and income from MSRs of $15.5 million and $34.6 million, respectively. During the three and nine months ended September 30, 2024, we recorded net gains of $1.2 million and $0.9 million, respectively, from changes in the fair value of these derivatives and income from MSRs of $13.2 million and $37.9 million, respectively. See Note 13 for details.

Treasury Futures and Credit Default Swaps. We enter into over-the-counter treasury futures and credit default swaps to hedge our interest rate and credit risk exposure inherent in (1) our held-for-sale Agency Business Private Label loans from the time the loans are rate locked until sale or securitization, and (2) our Agency Business SFR – fixed rate loans from the time the loans are originated until the time they can be financed with match term fixed rate securitized debt. Our treasury futures typically have a three-month maturity and are tied to the five-year and ten-year treasury rates. Our credit default swaps typically have a five-year maturity, are tied to the credit spreads of the underlying bond issuers and we typically hold our position until we price our Private Label loan securitizations. These instruments do not meet the criteria for hedge accounting, are cleared by a central clearing house and variation margin payments made in cash are treated

as a legal settlement of the derivative itself. Our agreements with the counterparties provide for bilateral collateral pledging based on the counterparties' market value. The counterparties have the right to re-pledge the collateral posted, but have the obligation to return the pledged collateral as the market value of the treasury futures change. Our policy is to record the asset and liability positions on a net basis. At September 30, 2025 and December 31, 2024, we had $1.4 million and $2.3 million, respectively, included in others assets, which was comprised of cash posted as collateral of $1.7 million and $2.0 million, respectively, and net liability and net asset positions of $0.3 million and $0.3 million, respectively, from the fair value of our treasury futures.

During the three months ended September 30, 2025, we recorded realized losses of $0.8 million and unrealized gains of $0.7 million to our Agency Business, related to our swaps. During the nine months ended September 30, 2025, we recorded realized losses of $1.3 million and unrealized losses of $0.5 million to our Agency Business, related to our swaps. During the three months ended September 30, 2024, we recorded realized gains of $0.2 million and unrealized losses of $0.1 million to our Agency Business, related to our swaps. During the nine months ended September 30, 2024, we recorded realized losses of $0.3 million and unrealized gains of $0.3 million, respectively, to our Agency Business, related to our swaps.

A summary of our non-qualifying derivative financial instruments in our Agency Business is as follows ($ in thousands):

	September 30, 2025				
				Fair Value	
Derivative	Count	Notional Value	Balance Sheet Location	Derivative Assets	Derivative Liabilities
Rate lock commitments	4	$ 55,585	Other assets/other liabilities	$ 578	$ (367)
Forward sale commitments	30	293,732	Other assets/other liabilities	505	(991)
Treasury futures	646	64,600		—	—
		$ 413,917		$ 1,083	$ (1,358)

	December 31, 2024				
Forward sale commitments	44	$ 396,024	Other assets/other liabilities	$ 95	$ (4,209)
Treasury futures	82	8,200		—	—
		$ 404,224		$ 95	$ (4,209)

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Note 13 — Fair Value

Fair value estimates are dependent upon subjective assumptions and involve significant uncertainties resulting in variability in estimates with changes in assumptions. The following table summarizes the principal amounts, carrying values and the estimated fair values of our financial instruments (in thousands):

	September 30, 2025			December 31, 2024		
	Principal / Notional Amount	Carrying Value	Estimated Fair Value	Principal / Notional Amount	Carrying Value	Estimated Fair Value
Financial assets:						
Loans and investments, net	$ 11,708,762	$ 11,430,418	$ 11,438,731	$ 11,304,956	$ 11,033,997	$ 11,122,205
Loans held-for-sale, net	318,756	319,207	327,011	438,233	435,759	449,339
Capitalized mortgage servicing rights, net	n/a	344,913	477,043	n/a	368,678	511,282
Securities held-to-maturity, net	229,790	155,969	155,310	230,012	157,154	144,508
Derivative financial instruments	137,758	1,083	1,083	41,724	95	95
Financial liabilities:						
Credit and repurchase facilities	$ 4,133,965	$ 4,123,577	$ 4,082,708	$ 3,568,361	$ 3,559,490	$ 3,592,120
Securitized debt	4,188,340	4,168,152	4,186,482	4,632,015	4,622,489	4,616,409
Senior unsecured notes	1,745,000	1,728,238	1,689,794	1,245,000	1,236,147	1,160,154
Convertible senior unsecured notes	—	—	—	287,500	285,853	287,500
Junior subordinated notes	154,336	145,292	111,259	154,336	144,686	109,099
Mortgage notes payable - real estate owned	190,688	190,688	189,675	74,897	74,897	74,495
Derivative financial instruments	211,559	1,358	1,358	354,300	4,209	4,209

Assets and liabilities disclosed at fair value are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Determining which category an asset or liability falls within the hierarchy requires judgment and we evaluate our hierarchy disclosures each quarter. Hierarchical levels directly related to the amount of subjectivity associated with the inputs to fair valuation of these assets and liabilities are as follows:

Level 1—Inputs are unadjusted and quoted prices exist in active markets for identical assets or liabilities, such as government, agency and equity securities.

Level 2—Inputs (other than quoted prices included in Level 1) are observable for the asset or liability through correlation with market data. Level 2 inputs may include quoted market prices for a similar asset or liability, interest rates and credit risk. Examples include non-government securities, certain mortgage and asset-backed securities, certain corporate debt and certain derivative instruments.

Level 3—Inputs reflect our best estimate of what market participants would use in pricing the asset or liability and are based on significant unobservable inputs that require a considerable amount of judgment and assumptions. Examples include certain mortgage and asset-backed securities, certain corporate debt and certain derivative instruments.

The following is a description of the valuation techniques used to measure fair value and the general classification of these instruments pursuant to the fair value hierarchy.

Loans and investments, net. Fair values of loans and investments that are not impaired are estimated using inputs based on direct capitalization rate and discounted cash flow methodology using discount rates, which, in our opinion, best reflect current market interest rates that would be offered for loans with similar characteristics and credit quality (Level 3). Fair values of impaired loans and investments are estimated using inputs that require significant judgments, which include assumptions regarding discount rates, capitalization rates, creditworthiness of major tenants, occupancy rates, availability of financing, exit plans and other factors (Level 3).

Loans held-for-sale, net. Consists of originated loans that are generally expected to be transferred or sold within 60 days to 180 days of loan funding, and are valued using pricing models that incorporate observable inputs from current market assumptions or a hypothetical securitization model utilizing observable market data from recent securitization spreads and observable pricing of loans with similar characteristics (Level 2). Fair value includes the fair value allocated to the associated future MSRs and is calculated pursuant to the valuation techniques described below for capitalized mortgage servicing rights, net (Level 3).

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Capitalized mortgage servicing rights, net. Fair values are estimated using inputs based on discounted future net cash flow methodology (Level 3). MSRs are initially recorded at fair value and are carried at amortized cost. The fair value of MSRs is estimated using a process that involves the use of independent third-party valuation experts, supported by commercially available discounted cash flow models and analysis of current market data. The key inputs used in estimating fair value include the discount rate and contractually specified servicing fees, and to a lessor extent the prepayment speed of the underlying loans, annual per loan cost to service loans, delinquency rates, late charges and other economic factors.

Securities held-to-maturity, net. Fair values are approximated using inputs based on current market quotes received from financial sources that trade such securities and are based on prevailing market data and, in some cases, are derived from third-party proprietary models based on well recognized financial principles and reasonable estimates about relevant future market conditions (Level 3).

Derivative financial instruments. Fair values of rate lock and forward sale commitments are estimated using valuation techniques, which include internally-developed models based on changes in the U.S. Treasury rate and other observable market data (Level 2). The fair value of rate lock commitments includes the fair value of the expected net cash flows associated with the servicing of the loans, see capitalized mortgage servicing rights, net above for details on the applicable valuation technique (Level 3). We also consider the impact of counterparty non-performance risk when measuring the fair value of these derivatives.

Credit facilities, repurchase facilities and mortgage notes payable. Fair values for credit and repurchase facilities and mortgage notes payable of the Structured Business are estimated using discounted cash flow methodology, using discount rates, which, in our opinion, best reflect current market interest rates for financing with similar characteristics and credit quality (Level 3). The majority of our credit and repurchase facilities for the Agency Business bear interest at rates that are similar to those available in the market currently and fair values are estimated using Level 2 inputs. For these facilities, the fair values approximate their carrying values.

Securitized debt and junior subordinated notes. Fair values are estimated based on broker quotations, representing the discounted expected future cash flows at a yield that reflects current market interest rates and credit spreads (Level 3).

Senior unsecured notes. Fair values are estimated at current market quotes received from active markets when available (Level 1). If quotes from active markets are unavailable, then the fair values are estimated utilizing current market quotes received from inactive markets (Level 2).

Convertible senior unsecured notes. Fair values are estimated using current market quotes received from inactive markets (Level 2).

We measure certain financial assets and financial liabilities at fair value on a recurring basis. The fair values of these financial assets and liabilities are determined using the following input levels at September 30, 2025 (in thousands):

			Fair Value Measurements Using Fair Value Hierarchy		
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Derivative financial instruments	$ 1,083	$ 1,083	$ —	$ 505	$ 578
Financial liabilities:					
Derivative financial instruments	$ 1,358	$ 1,358	$ —	$ 1,358	$ —

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We measure certain financial and non-financial assets at fair value on a nonrecurring basis. The fair values of these financial and non-financial assets, if applicable, were determined using the following input levels at September 30, 2025 (in thousands):

			Fair Value Measurements Using Fair Value Hierarchy		
	Net Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Impaired loans, net					
Loans held-for-investment (1)	$ 486,975	$ 486,975	$ —	$ —	$ 486,975
Loans held-for-sale (2)	13,052	13,052	—	13,052	—
	$ 500,027	$ 500,027	$ —	$ 13,052	$ 486,975

(1) We had an allowance for credit losses of $143.5 million relating to 27 impaired loans with an aggregate carrying value, before loan loss reserves, of $630.5 million at September 30, 2025. The fair values of these impaired loans are based on the value of the underlying collateral.
(2) We have an impairment loss of $1.0 million related to 3 loans held-for-sale with an aggregate carrying value, before unrealized impairment losses, of $14.0 million.

Loan impairment assessments. Loans held for investment are intended to be held to maturity and, accordingly, are carried at cost, net of unamortized loan origination costs and fees, loan purchase discounts, and net of the allowance for credit losses, when such loan or investment is deemed to be impaired. We consider a loan impaired when, based upon current information, it is probable that all amounts due for both principal and interest will not be collected according to the contractual terms of the loan agreement. We evaluate our loans to determine if the value of the underlying collateral securing the impaired loan is less than the net carrying value of the loan, which may result in an allowance, and corresponding charge to the provision for credit losses, or an impairment loss. These valuations require significant judgments, which include assumptions regarding capitalization and discount rates, revenue growth rates, creditworthiness of major tenants, occupancy rates, availability of financing, exit plan and other factors.

Loans held-for-sale are generally expected to be transferred or sold within 60 days to 180 days of loan origination and are reported at lower of cost or market. We consider a loan classified as held-for-sale impaired if, based on current information, it is probable that we will sell the loan below par, or not be able to collect all principal and interest in accordance with the contractual terms of the loan agreement. These loans are valued using pricing models that incorporate observable inputs from current market assumptions or a hypothetical securitization model utilizing observable market data from recent securitization spreads and observable pricing of loans with similar characteristics.

The tables above and below include all impaired loans, regardless of the period in which the impairment was recognized.

Quantitative information about Level 3 fair value measurements at September 30, 2025 is as follows ($ in thousands):

	Fair Value	Valuation Techniques	Significant Unobservable Inputs		
Financial assets:					
Impaired loans:				Weighted Average	Minimum / Maximum
Multifamily	$ 344,535	Discounted cash flows	Capitalization rate	6.05 %	5.50 % - 7.00 %
	80,580	Price quotes	N/A	N/A	N/A
	$ 425,115				
Land	$ 49,999	Discounted cash flows	Discount rate	21.50 %	21.50 %
			Revenue growth rate	3.00 %	3.00 %
Retail	$ 11,861	Sales comparative	Price per acre	$165	$165
Derivative financial instruments:					
Rate lock commitments	$ 578	Discounted cash flows	W/A discount rate	9.87 %	9.87 %

The derivative financial instruments using Level 3 inputs are outstanding for short periods of time (generally less than 60 days). A roll-forward of Level 3 derivative instruments is as follows (in thousands):

	Fair Value Measurements Using Significant Unobservable Inputs			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Derivative assets and liabilities, net				
Beginning balance	$ 382	$ 1,066	$ —	$ 428
Settlements	(15,342)	(13,460)	(34,020)	(36,902)
Realized gains recorded in earnings	14,960	12,394	34,020	36,474
Unrealized gains recorded in earnings	578	376	578	376
Ending balance	$ 578	$ 376	$ 578	$ 376

The components of fair value and other relevant information associated with our forward sales commitments and the estimated fair value of cash flows from servicing on loans held-for-sale are as follows (in thousands):

September 30, 2025	Notional/ Principal Amount	Fair Value of Servicing Rights	Unrealized Impairment Loss	Total Fair Value Adjustment
Rate lock commitments	$ 55,585	$ 578	$ —	$ 578
Forward sale commitments	293,732	—	—	—
Loans held-for-sale, net (1)	318,756	3,329	1,444	4,773
Total		$ 3,907	$ 1,444	$ 5,351

(1) Loans held-for-sale, net are recorded at the lower of cost or market on an aggregate basis and includes fair value adjustments related to estimated cash flows from MSRs.

We measure certain assets and liabilities for which fair value is only disclosed. The fair values of these assets and liabilities are determined using the following input levels at September 30, 2025 (in thousands):

			Fair Value Measurements Using Fair Value Hierarchy		
	Carrying Value	Fair Value	Level 1	Level 2	Level 3
Financial assets:					
Loans and investments, net	$ 11,430,418	$ 11,438,731	$ —	$ —	$ 11,438,731
Loans held-for-sale, net	319,207	327,011	—	323,682	3,329
Capitalized mortgage servicing rights, net	344,913	477,043	—	—	477,043
Securities held-to-maturity, net	155,969	155,310	—	—	155,310
Financial liabilities:					
Credit and repurchase facilities	$ 4,123,577	$ 4,082,708	$ —	$ 294,193	$ 3,788,515
Securitized debt	4,168,152	4,186,482	—	—	4,186,482
Senior unsecured notes	1,728,238	1,689,794	1,689,794	—	—
Junior subordinated notes	145,292	111,259	—	—	111,259
Mortgage notes payable - real estate owned	190,688	189,675	—	—	189,675

Note 14 — Commitments and Contingencies

Agency Business Commitments. We must make certain representations and warranties concerning each loan we originate for the GSE or HUD programs. The representations and warranties relate to our practices in the origination and servicing of the loans, the accuracy of the information being provided by us and the conformity of the loans to the terms and conditions required by the GSEs and HUD. In the event of a breach of any representation or warranty, the GSEs or HUD could require us to repurchase a loan, even if the loan is not in default. Our obligation to repurchase the loan is independent of our risk-sharing obligations.

Our Agency Business is subject to supervision by certain regulatory agencies. Among other things, these agencies require us to meet certain minimum net worth, operational liquidity and restricted liquidity collateral requirements, and compliance with reporting requirements. Our adjusted net worth and liquidity required by the agencies for all periods presented exceeded these requirements.

At September 30, 2025, we were required to maintain at least $23.4 million of liquid assets in one of our subsidiaries to meet our operational liquidity requirements for Fannie Mae and we had operational liquidity in excess of this requirement.

We are generally required to share the risk of any losses associated with loans sold under the Fannie Mae DUS program and are required to secure this obligation by assigning restricted cash balances and/or a letter of credit to Fannie Mae. The amount of collateral required by Fannie Mae is a formulaic calculation at the loan level by a Fannie Mae assigned tier, which considers the loan balance, risk level of the loan, age of the loan and level of risk-sharing. Fannie Mae requires restricted liquidity for Tier 2 loans of 75 basis points, 15 basis points for Tier 3 loans and 5 basis points for Tier 4 loans, which is funded over a 48-month period that begins upon delivery of the loan to Fannie Mae. A significant portion of our Fannie Mae DUS serviced loans for which we have risk sharing are Tier 2 loans. At September 30, 2025, the restricted liquidity requirement totaled $99.0 million and was satisfied with a $70.0 million letter of credit and cash issued to Fannie Mae.

At September 30, 2025, reserve requirements for the current Fannie Mae DUS loan portfolio will require us to fund $33.9 million in additional restricted liquidity over the next 48 months, assuming no further principal paydowns, prepayments, or defaults within our at-risk portfolio. Fannie Mae periodically reassesses these collateral requirements and may make changes to these requirements in the future. We generate sufficient cash flow from our operations to meet these capital standards and do not expect any changes to have a material impact on our future operations; however, future changes to collateral requirements may adversely impact our available cash.

We are subject to various capital requirements in connection with seller/servicer agreements that we have entered into with secondary market investors. Failure to maintain minimum capital requirements could result in our inability to originate and service loans for the respective investor and, therefore, could have a direct material effect on our consolidated financial statements. At September 30, 2025, we met all of Fannie Mae's quarterly capital requirements and our Fannie Mae adjusted net worth was in excess of the required net worth. We are not subject to capital requirements on a quarterly basis for Ginnie Mae and FHA, as requirements for these investors are only required on an annual basis.

As an approved designated seller/servicer under Freddie Mac's SBL program, we are required to post collateral to ensure that we are able to meet certain purchase and loss obligations required by this program. Under the SBL program, we are required to post collateral equal to $5.0 million, which is satisfied with a $5.0 million letter of credit.

We enter into contractual commitments with borrowers providing rate lock commitments while simultaneously entering into forward sale commitments with investors. These commitments are outstanding for short periods of time (generally less than 60 days) and are described in more detail in Note 12 and Note 13.

Debt Obligations and Operating Leases. At September 30, 2025, the maturities of our debt obligations and the minimum annual operating lease payments under leases with a term in excess of one year are as follows (in thousands):

Year	Debt Obligations	Minimum Annual Operating Lease Payments	Total
2025 (three months ending December 31, 2025)	$ 1,559,126	$ 2,810	$ 1,561,936
2026	3,806,939	11,424	3,818,363
2027	2,510,521	9,912	2,520,433
2028	1,765,684	9,226	1,774,910
2029	60,500	8,714	69,214
2030	555,223	8,756	563,979
Thereafter	154,336	10,924	165,260
Total	$ 10,412,329	$ 61,766	$ 10,474,095

During the three and nine months ended September 30, 2025, we recorded lease expense of $2.7 million and $8.1 million, respectively. During the three and nine months ended September 30, 2024, we recorded lease expense of $2.7 million and $8.3 million, respectively.

Unfunded Commitments. In accordance with certain structured loans and investments, we have outstanding unfunded commitments of $2.00 billion at September 30, 2025 that we are obligated to fund as borrowers meet certain requirements. Specific requirements include,

but are not limited to, property renovations, building construction and conversions based on criteria met by the borrower in accordance with the loan agreements.

Litigation. From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. Except as set forth below under "Securities Class Action" and "Derivative Actions," we are not currently a party to any material legal proceedings, and we are not aware of any pending or threatened legal proceeding against us that we believe could have an adverse effect on our business, operating results or financial condition. Because the results of legal proceedings are inherently unpredictable and uncertain, we are currently unable to predict whether it will have a material adverse effect on our business, financial condition or results of operations.

Securities Class Action

On July 31, 2024, a purported shareholder filed a securities class action lawsuit against us and certain of our executive officers in the United States District Court for the Eastern District of New York (the "Court"), alleging violations of Sections 10(b) and 20(a) of the Exchange Act and Rule 10b-5 promulgated thereunder. The plaintiffs seek to represent a class of shareholders who purchased our shares of common stock between May 7, 2021 and July 11, 2024.

On November 5, 2024, the Court approved the motion appointing the lead plaintiffs and their counsel.

An amended complaint was filed by the lead plaintiffs on January 21, 2025. The amended complaint alleges that we have made false and misleading statements and/or failed to disclose material information in connection with allegedly overriding internal controls, engaging in substandard lending practices and not complying with agency requirements. The plaintiffs are seeking damages in an unspecified amount, as well as attorneys' fees and costs.

On April 10, 2025, we served a motion to dismiss the case, which remains pending.

We believe that the allegations in the lawsuit are without merit, and we intend to vigorously defend against the claims. At this time, we are unable to determine whether an unfavorable outcome is probable or to estimate reasonably possible losses.

Derivative Actions

On February 26, 2025, a purported shareholder filed a verified shareholder derivative suit in the United States District Court for the District of Maryland, derivatively and on behalf of the Company, against certain officers and directors of the Board of Directors, asserting claims for breach of fiduciary duties, unjust enrichment, abuse of control, gross mismanagement, waste of corporate assets, violations of Section 14(a) of the Exchange Act, and contribution under the Exchange Act, arising from substantially the same facts and events as alleged in the above-mentioned Securities Class Action. The complaint seeks unspecified damages, costs and expenses, as well as other relief. On March 17, 2025, another purported shareholder filed a substantially similar verified shareholder derivative complaint, and the derivative actions were consolidated as *In re Arbor Realty Trust, Inc. Stockholder Derivative Litigation, No. 1:25-cv-00639*. On April 28, 2025, the Court entered a joint stipulation and order to stay the action pending resolution of the motion to dismiss in the Securities Class Action. The consolidated case is in the early stages.

On April 18, 2025, another purported shareholder filed a substantially similar verified shareholder derivative complaint in the District Court for the Eastern District of New York. On May 20, 2025, the Court entered a joint stipulation and order to stay the action pending resolution of the motion to dismiss in the Securities Class Action. This case is also in the early stages.

On July 18, 2025, a purported shareholder filed a verified shareholder derivative complaint in the Circuit Court for the Baltimore City, Maryland, derivatively and on behalf of the Company, against certain officers and directors of the Board of Directors, asserting demand refusal and a claim for breach of fiduciary duty. On September 15, 2025, the Court entered a joint stipulation and order to stay the action pending resolution of the motion to dismiss in the Securities Class Action. This case is also in the early stages.

On July 29, 2025, two purported shareholders filed a verified shareholder derivative complaint in the United States District Court for the Eastern District of New York, derivatively and on behalf of the Company, against certain officers and directors of the Board of Directors, asserting demand refusal and claims for violation of Section 14(a) of the Exchange Act, breach of fiduciary duty and unjust enrichment. On October 23, 2025, the Court granted a joint motion to change venue and transferred the action to the United States District Court for the District of Maryland. This case is also in the early stages.

On August 5, 2025, a purported shareholder filed a verified shareholder derivative complaint in the United States District Court for the Eastern District of New York, derivatively and on behalf of the Company, against certain officers and directors of the Board of Directors, asserting demand futility and claims for violation of Section 14(a) of the Exchange Act, breach of fiduciary duty, and unjust enrichment.

On September 10, 2025, the Court entered a joint stipulation and order to stay the action pending resolution of the motion to dismiss in the Securities Class Action. This case is also in the early stages.

We believe that the allegations in the lawsuits are without merit, and we intend to vigorously defend against the claims. At this time, we are unable to determine whether an unfavorable outcome is probable or to estimate reasonably possible losses.

Due to Borrowers. Due to borrowers represents borrowers' funds held by us to fund certain expenditures or to be released at our discretion upon the occurrence of certain pre-specified events, and to serve as additional collateral for borrowers' loans. While retained, these balances earn interest in accordance with the specific loan terms they are associated with.

Note 15 — Variable Interest Entities

Our involvement with VIEs primarily affects our financial performance and cash flows through amounts recorded in interest income, interest expense, provision for loan losses and through activity associated with our derivative instruments.

Consolidated VIEs. We have determined that our operating partnership, ARLP, and our CLO and Q Series securitization entities ("Securitization Entities") are VIEs, which we consolidate.

Our Securitization Entities invest in real estate and real estate-related securities and are financed by the issuance of debt securities. We believe we hold the power necessary to direct the most significant economic activities of those entities. We also have exposure to losses to the extent of our equity interests, and rights to waterfall payments in excess of required payments to bond investors. As a result of consolidation, equity interests have been eliminated, and the consolidated balance sheets reflect both the assets held and debt issued to third parties by the Securitization Entities, prior to the unwind. Our operating results and cash flows include the gross asset and liability amounts related to the Securitization Entities as opposed to our net economic interests in those entities.

The assets and liabilities related to these consolidated Securitization Entities are as follows (in thousands):

	September 30, 2025	December 31, 2024
Assets:		
Restricted cash	$ 93,210	$ 131,381
Loans and investments, net	5,463,757	5,898,102
Other assets	79,330	95,442
Total assets	$ 5,636,297	$ 6,124,925
Liabilities:		
Securitized debt	$ 4,168,152	$ 4,622,489
Other liabilities	10,537	15,255
Total liabilities	$ 4,178,689	$ 4,637,744

Assets held by the Securitization Entities are restricted and can only be used to settle obligations of those entities. The liabilities of the Securitization Entities are non-recourse to us and can only be satisfied from each respective asset pool. See Note 10 for details. We are not obligated to provide, have not provided, and do not intend to provide financial support to any of the Securitization Entities.

Unconsolidated VIEs. We determined that we are not the primary beneficiary of 66 VIEs in which we have a variable interest at September 30, 2025 because we do not have the ability to direct the activities of the VIEs that most significantly impact each entity's economic performance or substantially all of the activities do not involve, or are not conducted on behalf of, the Company.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

A summary of our variable interests in identified VIEs, of which we are not the primary beneficiary, at September 30, 2025 is as follows (in thousands):

Type	Carrying Amount (1)
Loans	$ 1,569,850
APL certificates	140,829
Equity investments	34,257
B Piece bonds	31,023
Agency interest only strips	54
Total	$ 1,776,013

(1) Represents the carrying amount of loans and investments before reserves. At September 30, 2025, $253.0 million of loans to VIEs had corresponding specific loan loss reserves of $95.8 million. The maximum loss exposure at September 30, 2025 would not exceed the carrying amount of our investment.

These unconsolidated VIEs have exposure to real estate debt of approximately $5.01 billion at September 30, 2025.

Note 16 — Equity

Common Stock. We have an equity distribution agreement with Citizens JMP Securities, LLC ("JMP"). In accordance with the terms of the agreement, we may offer and sell up to 30,000,000 shares of our common stock in "At-The-Market" equity offerings through JMP by means of ordinary brokers' transactions or otherwise at market prices prevailing at the time of sale, or at negotiated prices. During the nine months ended September 30, 2025, we sold 5,898,957 shares of our common stock at an average price of $11.97 per share for net proceeds of $70.6 million. At September 30, 2025, we had 23,439,335 shares available under the agreement.

We have a share repurchase program providing for the repurchase of up to $150.0 million of our outstanding common stock. The repurchase of our common stock may be made from time to time in the open market, through privately negotiated transactions, or otherwise in compliance with Rule 10b-18 and Rule 10b5-1 under the Exchange Act, based on our stock price, general market conditions, applicable legal requirements and other factors. The program may be discontinued or modified at any time. During April 2024, we repurchased 935,739 shares of our common stock under the share repurchase program at a total cost of $11.4 million and an average cost of $12.19 per share. At September 30, 2025, there was $138.6 million available for repurchase under this program.

Noncontrolling Interest. Noncontrolling interest relates to the operating partnership units ("OP Units") issued to satisfy a portion of the purchase price in connection with the acquisition of the agency platform of ACM in 2016. Each of these OP Units are paired with one share of our special voting preferred shares having a par value of $0.01 per share and is entitled to one vote each on any matter submitted for stockholder approval. The OP Units are entitled to receive distributions if and when our Board of Directors authorizes and declares common stock distributions. The OP Units are also redeemable for cash, or at our option, for shares of our common stock on a one-for-one basis. At September 30, 2025, there were 16,173,761 OP Units outstanding, which represented 7.6% of the voting power of our outstanding stock.

Distributions. Dividends declared (on a per share basis) during the nine months ended September 30, 2025 are as follows:

Common Stock		Preferred Stock			
			Dividend		
Declaration Date	Dividend	Declaration Date	Series D	Series E	Series F
February 19, 2025	$ 0.43	March 28, 2025	$ 0.3984375	$ 0.390625	$ 0.390625
April 30, 2025	$ 0.30	June 27, 2025	$ 0.3984375	$ 0.390625	$ 0.390625
July 30, 2025	$ 0.30	September 29, 2025	$ 0.3984375	$ 0.390625	$ 0.390625

Common Stock – On October 29, 2025, the Board of Directors declared a cash dividend of $0.30 per share of common stock. The dividend is payable on November 26, 2025 to common stockholders of record as of the close of business on November 14, 2025.

Deferred Compensation. During 2025, we granted 675,545 shares of restricted common stock to certain employees and Board of Directors members under the Amended Omnibus Stock Incentive Plan with a total grant date fair value of $8.3 million, of which: (1) 239,741 shares with a grant date fair value of $3.0 million vested on the grant date in 2025; (2) 212,729 shares with a grant date fair value

of $2.6 million will vest in 2026; (3) 212,921 shares with a grant date fair value of $2.6 million will vest in 2027; and (4) 10,154 shares with a grant date fair value of $0.1 million will vest in 2028.

During 2025, we granted our chief executive officer 170,674 shares of restricted common stock with a grant date fair value of $2.1 million that vest in full in the first quarter of 2028. We also granted our chief executive officer up to 682,699 shares of performance-based restricted stock units ("RSUs") with a grant date fair value of $2.7 million that vest at the end of a four-year performance period based on the achievement of certain stockholder return objectives.

We also issued 47,725 fully-vested RSUs with a grant date fair value of $0.6 million to certain members of our Board of Directors, who have decided to defer the receipt of the common stock, into which the RSUs are converted, to a future date pursuant to a pre-established deferral election.

During 2025, we withheld 287,684 shares from the net settlement of restricted common stock by employees for payment of withholding taxes on shares that vested.

Earnings Per Share ("EPS"). Basic EPS is calculated by dividing net income (loss) attributable to common stockholders by the weighted average number of shares of common stock outstanding during each period inclusive of unvested restricted stock with full dividend participation rights. Diluted EPS is calculated by dividing net income (loss) by the weighted average number of shares of common stock outstanding, plus the additional dilutive effect of common stock equivalents during each period. Our common stock equivalents include the weighted average dilutive effect of RSUs, OP Units and convertible senior unsecured notes.

A reconciliation of the numerator and denominator of our basic and diluted EPS computations is as follows ($ in thousands, except share and per share data):

	Three Months Ended September 30,			
	2025		2024	
	Basic	Diluted	Basic	Diluted
Net income attributable to common stockholders (1)	$ 38,463	$ 38,463	$ 58,175	$ 58,175
Net income attributable to noncontrolling interest (2)	—	3,211	—	5,028
Net income attributable to common stockholders and noncontrolling interest (3)	$ 38,463	$ 41,674	$ 58,175	$ 63,203
Weighted average shares outstanding	193,748,462	193,748,462	188,513,832	188,513,832
Dilutive effect of OP Units (2)	—	16,173,761	—	16,293,589
Dilutive effect of RSUs (4)	—	595,539	—	539,888
Weighted average shares outstanding (3)	193,748,462	210,517,762	188,513,832	205,347,309
Net income per common share (1)	$ 0.20	$ 0.20	$ 0.31	$ 0.31

	Nine Months Ended September 30,			
	2025		2024	
Net income attributable to common stockholders (1)	$ 92,852	$ 92,852	$ 163,445	$ 163,445
Net income attributable to noncontrolling interest (2)	—	7,828	—	14,119
Net income attributable to common stockholders and noncontrolling interest (3)	$ 92,852	$ 100,680	$ 163,445	$ 177,564
Weighted average shares outstanding	192,028,656	192,028,656	188,626,263	188,626,263
Dilutive effect of OP Units (2)	—	16,198,659	—	16,293,589
Dilutive effect of RSUs (4)	—	580,436	—	528,627
Weighted average shares outstanding (3)	192,028,656	208,807,751	188,626,263	205,448,479
Net income per common share (1)	$ 0.48	$ 0.48	$ 0.87	$ 0.86

(1) Net of preferred stock dividends.
(2) We consider OP Units to be common stock equivalents as the holders have voting rights, the right to distributions and the right to redeem the OP Units for the cash value of a corresponding number of shares of common stock or a corresponding number of shares of common stock, at our election.

(3) The three and nine months ended September 30, 2025 excludes interest expense of $2.0 million and $14.2 million, respectively, and potentially dilutive shares of 6,031,516 and 13,664,112, respectively, attributable to convertible debt since their effect would have been anti-dilutive. The three and nine months ended September 30, 2024 excludes interest expense of $6.1 million and $18.3 million, respectively, and potentially dilutive shares of 17,512,742 and 17,463,320, respectively, attributable to convertible debt since their effect would have been anti-dilutive. In August 2025, our convertible debt matured and was fully settled.
(4) Our chief executive officer was granted RSUs, which vest at the end of a 4-year performance period based upon our achievement of total stockholder return objectives.

Note 17 — Income Taxes

As a REIT, we are generally not subject to U.S. federal income tax to the extent of our distributions to stockholders and as long as certain asset, income, distribution, ownership and administrative tests are met. To maintain our qualification as a REIT, we must annually distribute at least 90% of our REIT-taxable income to our stockholders and meet certain other requirements. We may also be subject to certain state, local and franchise taxes. Under certain circumstances, federal income and excise taxes may be due on our undistributed taxable income. If we were to fail to meet these requirements, we would be subject to U.S. federal income tax, which could have a material adverse impact on our results of operations and amounts available for distributions to our stockholders. We believe that all of the criteria to maintain our REIT qualification have been met for the applicable periods, but there can be no assurance that these criteria will continue to be met in subsequent periods.

The Agency Business is operated through our TRS Consolidated Group and is subject to U.S. federal, state and local income taxes. In general, our TRS entities may hold assets that the REIT cannot hold directly and may engage in real estate or non-real estate-related business.

A summary of our income tax benefit (provision) is as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Current income tax provision	$ (9,385)	$ (7,259)	$ (18,115)	$ (21,648)
Deferred income tax benefit	1,791	2,026	3,532	8,922
Total income tax provision	$ (7,594)	$ (5,233)	$ (14,583)	$ (12,726)

Note 18 — Agreements and Transactions with Related Parties

Support Agreement and Employee Secondment Agreement. We have a support agreement and a secondment agreement with ACM and certain of its affiliates and certain affiliates of a relative of our chief executive officer ("Service Recipients") where we provide support services and seconded employees to the Service Recipients. The Service Recipients reimburse us for the costs of performing such services and the cost of the seconded employees. During the three and nine months ended September 30, 2025, we incurred $1.0 million and $3.0 million, respectively, and, during the three and nine months ended September 30, 2024, we incurred $0.8 million and $2.6 million, respectively, of costs for services provided and employees seconded to the Service Recipients, all of which are reimbursable to us and included in due from related party on the consolidated balance sheets.

Other Related Party Transactions. Due from related party was $29.9 million and $12.8 million at September 30, 2025 and December 31, 2024, respectively, which consisted primarily of amounts due from our affiliated servicing operations related to real estate transactions closing at the end of the quarter and amounts due from ACM for costs incurred in connection with the support and secondment agreements described above.

Due to related party was $5.4 million and $4.5 million at September 30, 2025 and December 31, 2024, respectively, and consisted of loan settlements, holdbacks and escrows to be remitted to our affiliated servicing operations related to real estate transactions.

Investments in equity affiliates, which represent related parties under GAAP, and their related disclosures, are included in Note 8.

In certain instances, our business requires our executives to charter privately owned aircraft in furtherance of our business. We have an aircraft time-sharing agreement with an entity controlled by our chief executive officer that owns a private aircraft. Pursuant to the agreement, we reimburse the aircraft owner for the required costs under Federal Aviation Administration regulations for the flights our executives' charter. During the three and nine months ended September 30, 2025, we reimbursed the aircraft owner $0.2 million and $1.2 million, respectively, and less than $0.1 million and $0.4 million, respectively, for the three and nine months ended September 30, 2024, for the flights chartered by our executives pursuant to the agreement.

In August 2025, we originated a $4.0 million bridge loan for the acquisition of a condominium complex, of which one of our directors is the Co-Chief Executive Officer and President of an entity that is an indirect owner of the borrower. The loan has an interest rate of SOFR plus 3.25% with a SOFR floor of 4.32% and matures in August 2026. Interest income recorded from this loan was less than $0.1 million for both the three and nine months ended September 30, 2025.

In May 2025, we refinanced a $32.5 million bridge loan with a new $43.0 million bridge loan for an SFR BTR construction project. In 2020, we also made a $3.5 million preferred equity investment in the same project, of which $1.2 million was paid off in May 2025. An entity owned by an immediate family member of our chief executive officer also made an equity investment in the project and owned a 21.8% equity interest in the borrowing entity that increased to 26.6% in connection with the refinancing. Interest on the new loan decreased from SOFR plus 3.75% with a SOFR floor of 0.75% to SOFR plus 3.00% with a SOFR floor of 3.25% and matures in May 2026. The preferred equity investment has a 12.00% fixed rate and was scheduled to mature in May 2025, which was extended to May 2026. In connection with the extension, the borrower paid deferred interest of $1.9 million. Interest income recorded from these loans was $0.9 million and $2.9 million for the three and nine months ended September 30, 2025, respectively, and $1.1 million and $3.2 million for the three and nine months ended September 30, 2024, respectively.

In May 2025, we refinanced a $30.5 million bridge loan with a new $36.2 million bridge loan, for an SFR BTR construction project. In 2020, we also made a $4.6 million preferred equity investment in the same project. ACM and an entity owned by an immediate family member of our chief executive officer also made equity investments in the project and owned a combined 18.9% equity interest in the borrowing entity that increased to 33.7% in connection with the refinancing. Interest on the new loan decreased from SOFR plus 4.25% with a SOFR floor of 1.00% to SOFR plus 3.00% with a SOFR floor of 3.25% and matures in November 2025. The preferred equity investment has a 12.00% fixed rate and was scheduled to mature in April 2023, which was extended to November 2025. In connection with the extension, the borrower paid deferred interest of $1.3 million. Interest income recorded from the loans was $0.9 million and $2.7 million for the three and nine months ended September 30, 2025, respectively, and $1.1 million and $3.3 million for the three and nine months ended September 30, 2024, respectively.

In May 2025, we refinanced a $56.9 million bridge loan with a new $58.4 million bridge loan for an SFR BTR construction project. Two of our officers made minority equity investments totaling $0.5 million, representing approximately 4% of the total equity invested in the project. Interest on the new loan decreased from SOFR plus 5.50% with a SOFR floor of 3.25% to SOFR plus 2.75% with a SOFR floor of 3.50% and matures in May 2027. Interest income recorded from the loans was $1.1 million and $3.7 million for the three and nine months ended September 30, 2025, respectively, and $1.0 million and $1.9 million for the three and nine months ended September 30, 2024, respectively.

In February 2025, we refinanced a $46.2 million bridge loan we purchased from ACM in 2022 with a new $52.6 million bridge loan ($17.8 million was funded at September 30, 2025) for an SFR BTR construction project. A consortium of investors (which includes, among other unaffiliated investors, certain of our officers with a minority ownership interest) owns 70% of the borrowing entity and an entity indirectly owned and controlled by an immediate family member of our chief executive officer owns 10% of the borrowing entity. Interest on the new loan decreased from SOFR plus 5.50% to SOFR plus 4.75% and matures in February 2027. Interest income recorded from the loans was $0.4 million and $1.0 million for the three and nine months ended September 30, 2025, respectively, and $0.2 million and $0.5 million for the three and nine months ended September 30, 2024, respectively.

In July 2024, we committed to fund a $62.4 million bridge loan ($17.8 million was funded at September 30, 2025) in an SFR BTR construction project. An entity owned by an immediate family member of our chief executive officer also made an equity investment in the project and owns a 3.34% equity interest in the borrowing entity. The loan has an interest rate of SOFR plus 4.25% with a SOFR floor of 3.50% and matures in July 2027. Interest income recorded from this loan was $0.4 million and $0.7 million for the three and nine months ended September 30, 2025, respectively, and less than $0.1 million for both the three and nine months ended September 30, 2024.

In May 2024, we committed to fund a $42.5 million bridge loan ($18.8 million was funded at September 30, 2025) in an SFR BTR construction project. An entity owned by an immediate family member of our chief executive officer also made an equity investment in the project and owns a 2.28% equity interest in the borrowing entity. The loan has an interest rate of SOFR plus 4.25% with a SOFR floor of 3.50% and matures in May 2027. Interest income recorded from this loan was $0.4 million and $0.8 million for the three and nine months ended September 30, 2025, respectively, and less than $0.1 million for both the three and nine months ended September 30, 2024.

In 2022, we committed to fund a $67.1 million bridge loan ($50.3 million was funded at September 30, 2025) in an SFR BTR construction project. An entity owned by an immediate family member of our chief executive officer also made an equity investment in the project and owns a 2.25% equity interest in the borrowing entity. The loan has an interest rate of SOFR plus 4.63% with a SOFR floor of 0.25% and was scheduled to mature in May 2025, which was extended to May 2026. Interest income recorded from this loan was $1.1 million and $3.2 million for the three and nine months ended September 30, 2025, respectively, and $0.5 million and $0.9 million for the three and nine months ended September 30, 2024, respectively.

In 2022, we committed to fund a $39.4 million bridge loan ($39.0 million was funded at September 30, 2025) in an SFR BTR construction project. An entity owned by an immediate family member of our chief executive officer also made an equity investment in the project and owns a 2.25% equity interest in the borrowing entity. The loan has an interest rate of SOFR plus 4.00% with a SOFR floor of 0.25% and was scheduled to mature in March 2025, which was extended to March 2026. Interest income recorded from this loan was $0.8 million and $2.3 million for the three and nine months ended September 30, 2025, respectively, and $0.5 million and $1.2 million for the three and nine months ended September 30, 2024, respectively.

In 2021, we invested $4.2 million for 49.3% interest in a limited liability company ("LLC") which purchased a retail property for $32.5 million and assumed an existing $26.0 million CMBS loan. A portion of the property can potentially be converted to office space, of which we have the right to occupy, in part. An entity owned by an immediate family member of our chief executive officer also made an investment in the LLC for a 10% ownership, is the managing member and holds the right to purchase our interest in the LLC.

In 2020, we originated a $14.8 million Private Label loan and a $3.4 million mezzanine loan on two multifamily properties owned in part by a consortium of investors (which includes, among other unaffiliated investors, certain of our officers and our chief executive officer) which owns a 50% interest in the borrowing entity. In 2020, we sold the Private Label loan to an unconsolidated affiliate of ours. The mezzanine loan bears interest at a 9.00% fixed rate and matures in April 2030. Interest income recorded from the mezzanine loan was $0.1 million and $0.2 million for the three and nine months ended September 30, 2025, respectively, and less than $0.1 million and $0.2 million for the three and nine months ended September 30, 2024, respectively.

In 2019, we, along with ACM, certain executives of ours and a consortium of independent outside investors, formed AMAC III, a multifamily-focused commercial real estate investment fund sponsored and managed by our chief executive officer and one of his immediate family members. We committed to a $30.0 million investment for an 18% interest in AMAC III. During the three and nine months ended September 30, 2025, we recorded a loss associated with this investment of $0.8 million and $2.6 million, respectively, and $0.5 million and $1.7 million for the three and nine months ended September 30, 2024, respectively. During the nine months ended September 30, 2025 we made contributions of $0.9 million. During the nine months ended September 30, 2024 we made contributions of $2.6 million. In 2019, AMAC III originated a $7.0 million mezzanine loan to a borrower with which we have an outstanding $34.0 million bridge loan. In 2020, for full satisfaction of the mezzanine loan, AMAC III became the owner of the property. Also in 2020, the $34.0 million bridge loan was refinanced with a $35.4 million bridge loan, which has an interest rate of SOFR plus 3.50%, and was scheduled to mature in February 2025. In February 2025, we modified this loan to extend the maturity to February 2028 in exchange for a $2.0 million paydown that was made in the first quarter of 2025. In September 2025, the loan was modified to extend the maturity date to July 2028, adjust the interest rate to SOFR plus 1.00% with an all-in floor of 6.50%, and include a fixed pay rate of 1.00%, effective June 1, 2025, with the remaining balance deferred. Interest income recorded from the bridge loan was de minimus and $1.2 million for the three and nine months ended September 30, 2025, respectively, and $0.8 million and $2.4 million for the three and nine months ended September 30, 2024, respectively.

In 2019, we converted an existing bridge loan into a $2.0 million mezzanine loan with a fixed interest rate of 10.00%. The underlying multifamily property is owned in part by a consortium of investors (which includes, among other unaffiliated investors, certain of our officers and our chief executive officer) which owns interests ranging from 10.5% to 12.0% in the borrowing entities. The loan was scheduled to mature in May 2025, which was extended to February 2029. Interest income recorded from this loan was $0.1 million and $0.2 million for the three and nine months ended September 30, 2025, respectively, and less than $0.1 million and $0.2 million for the three and nine months ended September 30, 2024, respectively.

In 2018, we originated a $21.7 million bridge loan on a multifamily property owned in part by a consortium of investors (which includes, among other unaffiliated investors, certain of our officers and our chief executive officer) which owned 75% in the borrowing entity. The loan had an interest rate of SOFR plus 4.75% with a SOFR floor of 0.25%, and was scheduled to mature in February 2025, which was modified to extend the maturity to February 2027 in exchange for $3.0 million of additional collateral and a $2.5 million paydown to be made in February 2026. In 2024, we recorded a $5.5 million specific reserve on this loan. In September 2025, this loan paid off and we fully recovered the specific reserve recorded. Interest income recorded from this loan was $0.6 million and $1.6 million for the three and nine months ended September 30, 2025, respectively, and $0.6 million and $1.7 million, for the three and nine months ended September 30, 2024, respectively.

In 2017, we originated a $46.9 million Fannie Mae loan on a multifamily property owned in part by a consortium of investors (which includes, among other unaffiliated investors, certain of our officers) which owns a 17.6% interest in the borrowing entity. We carry a maximum loss-sharing obligation with Fannie Mae on this loan of up to 5% of the original UPB. Servicing revenue recorded from this loan was less than $0.1 million for all periods presented.

In 2015, we invested $9.6 million for 50% of ACM's indirect interest in a joint venture with a third party that was formed to invest in a residential mortgage banking business. We recorded a loss of $1.7 million related to this investment for the nine months ended September 30, 2025, and recorded a loss of $1.0 million and $0.1 million for the three and nine months ended September 30, 2024, respectively. During the three and nine months ended September 30, 2025, we received distributions of $16.4 million and $22.5 million,

respectively, and during the nine months ended September 30, 2024, we received distributions of $7.7 million, which were classified as returns of capital. In April 2025, Wakefield entered into an agreement to sell its interest in the residential mortgage banking business for $117.3 million. Based on the terms of this agreement, $22.0 million was allocated to us, which is equivalent to the carrying value of our investment, and therefore, we did not record a gain or loss on the transaction. The transaction closed once the entire sales price was paid, which was due in installments as follows: $15.0 million on or before April 1, 2025; $15.0 million on or before April 30, 2025; and the remaining $87.3 million on or before December 15, 2025. The first two installments were made in April, for which we received $5.6 million as our allocable share, and the final installment was made on July 31, 2025, for which we received $16.4 million as our allocable share.

We, along with an executive officer of ours and a consortium of independent outside investors, hold equity investments in a portfolio of multifamily properties referred to as the "Lexford" portfolio, which is managed by an entity owned primarily by a consortium of affiliated investors, including our chief executive officer and an executive officer of ours. Based on the terms of the management contract, the management company is entitled to 4.75% of gross revenues of the underlying properties, along with the potential to share in the proceeds of a sale or restructuring of the debt. In 2018, the owners of Lexford restructured part of its debt and we originated 12 bridge loans totaling $280.5 million, which were used to repay in full certain existing mortgage debt and to renovate 72 multifamily properties included in the portfolio. The loans were originated in 2018, had interest rates of LIBOR plus 4.00% and were scheduled to mature in June 2021. During 2019, the borrower made payoffs and partial paydowns of principal totaling $250.0 million and in 2020, the remaining balance of the loans were refinanced with a $34.6 million Private Label loan, which bears interest at a fixed rate of 3.30% and matures in March 2030. In 2020, we sold the Private Label loan to an unconsolidated affiliate of ours. Further, as part of this 2018 restructuring, $50.0 million in unsecured financing was provided by an unsecured lender to certain parent entities of the property owners. ACM owns slightly less than half of the unsecured lender entity and, therefore, provided slightly less than half of the unsecured lender financing. In addition, during the three and nine months ended September 30, 2025, we received distributions from this investment of $51.0 million and $54.4 million, respectively, and recognized income of $48.0 million (net of $3.0 million in transaction related expenses) and $51.4 million, respectively. The distribution received in the third quarter of 2025 related to the sale of a portion of Lexford's multifamily asset portfolio. During the three and nine months ended September 30, 2024, we received distributions and recognized income of $4.9 million and $9.0 million, respectively. Separate from the loans we originated in 2018, we provide limited ("bad boy") guarantees for certain other debt controlled by Lexford. The bad boy guarantees may become a liability for us upon standard "bad" acts such as fraud or a material misrepresentation by Lexford or us. At September 30, 2025, this debt had an aggregate outstanding balance of approximately $299.0 million and is scheduled to mature through 2029.

Several of our executives, including our chief financial officer, corporate secretary and our chairman, chief executive officer and president, hold similar positions for ACM. Our chief executive officer and his affiliated entities ("the Kaufman Entities") together beneficially own approximately 35% of the outstanding membership interests of ACM and certain of our employees and directors also hold an ownership interest in ACM. Furthermore, one of our directors serves as the trustee and co-trustee of two of the Kaufman Entities that hold membership interests in ACM. At September 30, 2025, ACM holds 2,535,870 shares of our common stock and 10,483,930 OP Units, which represents 6.1% of the voting power of our outstanding stock. Our Board of Directors approved a resolution under our charter allowing our chief executive officer and ACM, (which our chief executive officer has a controlling equity interest in), to own more than the 5% ownership interest limit of our common stock as stated in our amended charter.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Note 19 — Segment Information

As described in Note 1, we operate through two business segments – our Structured Business and our Agency Business. The summarized statements of income and balance sheet data, as well as certain other data, by segment are included in the following tables ($ in thousands). Specifically identifiable costs are recorded directly to each business segment. For items not specifically identifiable, costs have been allocated between the business segments using the most meaningful allocation methodologies, which was predominately direct labor costs (i.e., time spent working on each business segment). Such costs include, but are not limited to, compensation and employee related costs, selling and administrative expenses and stock-based compensation. Intersegment revenue and expenses have been eliminated in the computation of total revenue and operating income.

Our chief operating decision maker ("CODM") is Ivan Kaufman, our chief executive officer. The CODM uses both net interest income and net income for each segment predominantly in the annual budget and forecasting process. The CODM considers both budget and actual results on a quarterly basis for both profit measures when making decisions about the allocation of operating and capital resources to each segment. The CODM also uses segment net interest income and net income to assess the performance of each segment by comparing the results of each segment with one another and in determining the compensation of certain employees.

	Three Months Ended September 30, 2025			
	Structured Business	Agency Business	Other (1)	Consolidated
Interest income	$ 208,254	$ 14,747	$ —	$ 223,001
Interest expense	176,158	8,577	—	184,735
Net interest income	32,096	6,170	—	38,266
Other revenue:				
Gain on sales, including fee-based services, net	—	23,340	—	23,340
Mortgage servicing rights	—	15,538	—	15,538
Servicing revenue	—	47,471	—	47,471
Amortization of MSRs	—	(17,819)	—	(17,819)
Property operating income	4,189	—	—	4,189
Loss on derivative instruments, net	—	(2,206)	—	(2,206)
Other income, net	3,595	55	—	3,650
Total other revenue	7,784	66,379	—	74,163
Other expenses:				
Employee compensation and benefits	16,124	21,207	—	37,331
Commissions	—	6,838	—	6,838
Selling and administrative	6,420	7,278	—	13,698
Property operating expenses	7,296	—	—	7,296
Depreciation and amortization	4,963	392	—	5,355
Provision for loss sharing	—	8,256	—	8,256
Provision for credit losses (net of recoveries)	17,470	2,224	—	19,694
Total other expenses	52,273	46,195	—	98,468
(Loss) income before loss on real estate, income from equity affiliates and income taxes	(12,393)	26,354	—	13,961
Loss on real estate	(555)	—	—	(555)
Income from equity affiliates	46,204	—	—	46,204
Provision for income taxes	(1,312)	(6,282)	—	(7,594)
Net income	31,944	20,072	—	52,016
Preferred stock dividends	10,342	—	—	10,342
Net income attributable to noncontrolling interest	—	—	3,211	3,211
Net income attributable to common stockholders	$ 21,602	$ 20,072	$ (3,211)	$ 38,463

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
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	Three Months Ended September 30, 2024			
	Structured Business	Agency Business	Other (1)	Consolidated
Interest income	$ 274,102	$ 12,420	$ —	$ 286,522
Interest expense	192,945	4,765	—	197,710
Net interest income	81,157	7,655	—	88,812
Other revenue:				
Gain on sales, including fee-based services, net	—	18,638	—	18,638
Mortgage servicing rights	—	13,195	—	13,195
Servicing revenue	—	48,441	—	48,441
Amortization of MSRs	—	(17,299)	—	(17,299)
Property operating income	1,507	—	—	1,507
Gain on derivative instruments, net	—	822	—	822
Other income, net	1,364	1,173	—	2,537
Total other revenue	2,871	64,970	—	67,841
Other expenses:				
Employee compensation and benefits	16,772	21,716	—	38,488
Commissions	—	6,393	—	6,393
Selling and administrative	6,345	6,796	—	13,141
Property operating expenses	1,686	—	—	1,686
Depreciation and amortization	1,422	522	—	1,944
Provision for loss sharing (net of recoveries)	—	3,180	—	3,180
Provision for credit losses (net of recoveries)	14,788	1,432	—	16,220
Total other expenses	41,013	40,039	—	81,052
Income before income from equity affiliates and income taxes	43,015	32,586	—	75,601
Income from equity affiliates	3,177	—	—	3,177
Benefit from (provision for) income taxes	2,080	(7,313)	—	(5,233)
Net income	48,272	25,273	—	73,545
Preferred stock dividends	10,342	—	—	10,342
Net income attributable to noncontrolling interest	—	—	5,028	5,028
Net income attributable to common stockholders	$ 37,930	$ 25,273	$ (5,028)	$ 58,175

(1) Includes income allocated to the noncontrolling interest holders not allocated to the two reportable segments.

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	Nine Months Ended September 30, 2025			
	Structured Business	Agency Business	Other (1)	Consolidated
Interest income	$ 668,320	$ 35,677	$ —	$ 703,997
Interest expense	503,595	17,969	—	521,564
Net interest income	164,725	17,708	—	182,433
Other revenue:				
Gain on sales, including fee-based services, net	—	49,779	—	49,779
Mortgage servicing rights	—	34,598	—	34,598
Servicing revenue	—	136,036	—	136,036
Amortization of MSRs	—	(53,344)	—	(53,344)
Property operating income	14,028	—	—	14,028
Gain on derivative instruments, net	—	1,413	—	1,413
Other income, net	7,780	4,279	—	12,059
Total other revenue	21,808	172,761	—	194,569
Other expenses:				
Employee compensation and benefits	50,299	65,378	—	115,677
Commissions	—	15,709	—	15,709
Selling and administrative	22,941	21,927	—	44,868
Property operating expenses	17,572	—	—	17,572
Depreciation and amortization	13,772	1,175	—	14,947
Provision for loss sharing	—	14,258	—	14,258
Provision for loan losses (net of recoveries)	42,736	5,037	—	47,773
Total other expenses	147,320	123,484	—	270,804
Income before extinguishment of debt, loss on real estate, income from equity affiliates and income taxes	39,213	66,985	—	106,198
Loss on extinguishment of debt	(2,319)	—	—	(2,319)
Loss on real estate	(4,813)	—	—	(4,813)
Income from equity affiliates	47,224	—	—	47,224
Provision for income taxes	(1,951)	(12,632)	—	(14,583)
Net income	77,354	54,353	—	131,707
Preferred stock dividends	31,027	—	—	31,027
Net income attributable to noncontrolling interest	—	—	7,828	7,828
Net income attributable to common stockholders	$ 46,327	$ 54,353	$ (7,828)	$ 92,852

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	Nine Months Ended September 30, 2024			
	Structured Business	Agency Business	Other (1)	Consolidated
Interest income	$ 864,067	$ 40,935	$ —	$ 905,002
Interest expense	608,607	16,006	—	624,613
Net interest income	255,460	24,929	—	280,389
Other revenue:				
Gain on sales, including fee-based services, net	—	52,752	—	52,752
Mortgage servicing rights	—	37,928	—	37,928
Servicing revenue	—	143,394	—	143,394
Amortization of MSRs	—	(50,817)	—	(50,817)
Property operating income	4,521	—	—	4,521
Loss on derivative instruments, net	—	(4,711)	—	(4,711)
Other income, net	5,641	1,314	—	6,955
Total other revenue	10,162	179,860	—	190,022
Other expenses:				
Employee compensation and benefits	51,123	66,589	—	117,712
Commissions	—	17,699	—	17,699
Selling and administrative	18,969	20,928	—	39,897
Property operating expenses	4,948	—	—	4,948
Depreciation and amortization	4,070	2,867	—	6,937
Provision for loss sharing (net of recoveries)	—	7,787	—	7,787
Provision for credit losses (net of recoveries)	60,594	4,309	—	64,903
Total other expenses	139,704	120,179	—	259,883
Income before extinguishment of debt, gain on real estate, income from equity affiliates and income taxes	125,918	84,610	—	210,528
Loss on extinguishment of debt	(412)	—	—	(412)
Gain on real estate	3,813	—	—	3,813
Income from equity affiliates	7,388	—	—	7,388
Benefit from (provision for) income taxes	2,864	(15,590)	—	(12,726)
Net income	139,571	69,020	—	208,591
Preferred stock dividends	31,027	—	—	31,027
Net income attributable to noncontrolling interest	—	—	14,119	14,119
Net income attributable to common stockholders	$ 108,544	$ 69,020	$ (14,119)	$ 163,445

(1) Includes income allocated to the noncontrolling interest holders not allocated to the two reportable segments.

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
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	September 30, 2025		
	Structured Business	Agency Business	Consolidated
Assets:			
Cash and cash equivalents	$ 100,537	$ 322,847	$ 423,384
Restricted cash	93,210	29,750	122,960
Loans and investments, net	11,430,418	—	11,430,418
Loans held-for-sale, net	—	319,207	319,207
Capitalized mortgage servicing rights, net	—	344,913	344,913
Securities held-to-maturity, net	—	155,969	155,969
Investments in equity affiliates	57,298	—	57,298
Real estate owned, net	471,347	—	471,347
Goodwill and other intangible assets	12,500	74,444	86,944
Other assets and due from related party	401,649	73,090	474,739
Total assets	$ 12,566,959	$ 1,320,220	$ 13,887,179
Liabilities:			
Debt obligations	$ 10,061,754	$ 294,193	$ 10,355,947
Allowance for loss-sharing obligations	—	95,821	95,821
Other liabilities and due to related parties	240,718	79,745	320,463
Total liabilities	$ 10,302,472	$ 469,759	$ 10,772,231

	December 31, 2024		
Assets:			
Cash and cash equivalents	$ 58,188	$ 445,615	$ 503,803
Restricted cash	134,320	22,056	156,376
Loans and investments, net	11,033,997	—	11,033,997
Loans held-for-sale, net	—	435,759	435,759
Capitalized mortgage servicing rights, net	—	368,678	368,678
Securities held-to-maturity, net	—	157,154	157,154
Investments in equity affiliates	76,312	—	76,312
Real estate owned, net	176,543	—	176,543
Goodwill and other intangible assets	12,500	75,619	88,119
Other assets and due from related party	415,310	78,930	494,240
Total assets	$ 11,907,170	$ 1,583,811	$ 13,490,981
Liabilities:			
Debt obligations	$ 9,500,901	$ 422,661	$ 9,923,562
Allowance for loss-sharing obligations	—	83,150	83,150
Other liabilities and due to related parties	244,948	87,351	332,299
Total liabilities	$ 9,745,849	$ 593,162	$ 10,339,011

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Origination Data:				
Structured Business				
Bridge:				
SFR	$ 391,768	$ 239,064	$ 1,279,048	$ 596,054
Multifamily	375,950	14,500	847,000	73,385
Land	—	—	—	10,350
	767,718	253,564	2,126,048	679,789
Mezzanine / Preferred Equity	101,281	4,900	112,720	61,713
Construction - Multifamily	87,742	—	181,638	—
Total New Loan Originations	$ 956,741	$ 258,464	$ 2,420,406	$ 741,502
Number of Loans Originated	30	38	69	142
Commitments:				
Construction - Multifamily	$ 143,500	$ 47,000	$ 408,500	$ 47,000
SFR	25,300	374,070	420,084	1,062,947
Total Commitments	$ 168,800	$ 421,070	$ 828,584	$ 1,109,947
Loan Runoff	$ 734,209	$ 521,341	$ 1,675,859	$ 1,791,000
Agency Business				
Origination Volumes by Investor:				
Freddie Mac	$ 1,103,120	$ 378,809	$ 1,431,479	$ 1,095,732
Fannie Mae	872,753	616,211	1,913,770	1,817,364
SFR - Fixed Rate	7,242	—	39,905	27,314
Private Label	—	74,162	44,925	124,286
FHA	—	27,457	16,041	27,457
Total New Loan Originations	$ 1,983,115	$ 1,096,639	$ 3,446,120	$ 3,092,153
Total Loan Commitment Volume	$ 2,003,538	$ 1,056,490	$ 3,501,705	$ 3,090,446
Agency Business Loan Sales Data:				
Freddie Mac	$ 1,095,626	$ 356,300	$ 1,508,575	$ 1,018,900
Fannie Mae	915,941	655,851	1,928,962	2,112,986
SFR - Fixed Rate	13,909	—	39,905	27,314
FHA	1,339	32,664	87,247	56,152
Private Label	—	74,162	—	124,286
Total Loan Sales	$ 2,026,815	$ 1,118,977	$ 3,564,689	$ 3,339,638
Sales Margin (fee-based services as a % of loan sales)	1.15 %	1.67 %	1.40 %	1.58 %
MSR Rate (MSR income as a % of loan commitments)	0.78 %	1.25 %	0.99 %	1.23 %

ARBOR REALTY TRUST, INC. AND SUBSIDIARIES
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	September 30, 2025		
Key Servicing Metrics for Agency Business:	**Servicing Portfolio UPB**	**Wtd. Avg. Servicing Fee Rate (basis points)**	**Wtd. Avg. Life of Portfolio (years)**
Fannie Mae	$ 23,468,256	45.3	5.7
Freddie Mac	7,090,516	19.1	6.2
Private Label	2,561,736	18.7	4.8
FHA	1,492,536	14.0	19.1
SFR - Fixed Rate	279,650	20.0	4.1
Bridge	277,935	10.4	2.3
Total	$ 35,170,629	36.2	6.3

	December 31, 2024		
Fannie Mae	$ 22,730,056	46.4	6.4
Freddie Mac	6,077,020	21.5	6.8
Private Label	2,605,980	18.7	5.5
FHA	1,506,948	14.1	19.2
Bridge	278,494	10.4	3.0
SFR - Fixed Rate	271,859	20.1	4.4
Total	$ 33,470,357	37.8	6.9

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion in conjunction with the unaudited consolidated interim financial statements, and related notes and the section entitled "Forward-Looking Statements" included herein.

Overview

Through our Structured Business, we invest in a diversified portfolio of structured finance assets in the multifamily, SFR and commercial real estate markets, primarily consisting of bridge loans, in addition to mezzanine loans, junior participating interests in first mortgages and preferred equity. We also invest in real estate-related joint ventures and may directly acquire real property and invest in real estate-related notes and certain mortgage-related securities.

Through our Agency Business, we originate, sell and service a range of multifamily finance products through Fannie Mae and Freddie Mac, Ginnie Mae, FHA and HUD. We retain the servicing rights and asset management responsibilities on substantially all loans we originate and sell under the GSE and HUD programs. We are an approved Fannie Mae DUS lender, seller/servicer nationally, a Freddie Mac Optigo® Conventional Loan and SBL lender, seller/servicer nationally and a HUD MAP and LEAN senior housing/healthcare lender nationally. We also originate and retain the servicing rights on permanent financing loans that are generally underwritten using the guidelines of our existing agency loans sold to the GSEs, which we refer to as "Private Label" loans, and originate and sell finance products through CMBS programs. We either sell the Private Label loans instantaneously or pool and securitize them and sell certificates in the securitizations to third party investors, while retaining the highest risk bottom tranche certificate of the securitization.

We conduct our operations to qualify as a REIT. A REIT is generally not subject to federal income tax on its taxable income that is distributed to its stockholders; provided that at least 90% of its REIT-taxable income is distributed and provided that certain other requirements are met.

Our operating performance is primarily driven by the following factors:

Net interest income earned on our investments. Net interest income represents the amount by which the interest income earned on our assets exceeds the interest expense incurred on our borrowings. If the yield on our assets increases or the cost of borrowings decreases, this will have a positive impact on earnings. However, if the yield earned on our assets decreases or the cost of borrowings increases, this will have a negative impact on earnings. Net interest income is also directly impacted by the size and performance of our asset portfolio. We recognize the bulk of our net interest income from our Structured Business. Additionally, we recognize net interest income from loans originated through our Agency Business, which are generally sold within 60 days of origination.

Fees and other revenues recognized from originating, selling and servicing mortgage loans through the GSE and HUD programs. Revenue recognized from the origination and sale of mortgage loans consists of gains on sale of loans (net of any direct loan origination costs incurred), commitment fees, broker fees, loan assumption fees and loan origination fees. These gains and fees are collectively referred to as gain on sales, including fee-based services, net. We record income from MSRs at the time of commitment to the borrower, which represents the fair value of the expected net future cash flows associated with the rights to service mortgage loans that we originate, with the recognition of a corresponding asset upon sale. We also record servicing revenue which consists of fees received for servicing mortgage loans, net of amortization on the MSR assets recorded. Although we have long-established relationships with the GSE and HUD agencies, our operating performance would be negatively impacted if our business relationships with these agencies deteriorate. Additionally, we also recognize revenue from originating, selling and servicing our Private Label loans.

One of our core business strategies is to generate additional agency lending opportunities by refinancing our multifamily balance sheet bridge loan portfolio when it is practical and appropriate to do so. We execute this strategy by underwriting the multifamily bridge loans we originate to a potential future agency financing. We then continue to work with our borrowers on this execution through the life cycle of the multifamily bridge loan. When effective, this strategy allows us to recapture refinancing opportunities, deleverage our balance sheet, and generate additional income streams through our capital-light Agency Business.

Income earned from our structured transactions. Our structured transactions are primarily comprised of investments in equity affiliates, which represent unconsolidated joint venture investments formed to acquire, develop and/or sell real estate-related assets. Operating results from these investments can be difficult to predict and can vary significantly period-to-period. When interest rates rise, the income from these investments can be significantly and negatively impacted. In addition, we periodically receive distributions from our equity investments. It is difficult to forecast the timing of such payments, which can be substantial in any given quarter. We account for structured transactions within our Structured Business.

Credit quality of our loans and investments, including our servicing portfolio. Effective portfolio management is essential to maximize the performance and value of our loan and investment and servicing portfolios. Maintaining the credit quality of the loans in our portfolios is of critical importance. Loans that do not perform in accordance with their terms may have a negative impact on earnings and liquidity.

Significant Developments During the Third Quarter of 2025

Financing and Capital Markets Activity

- Closed a collateralized securitization vehicle (CLO 20) totaling $1.05 billion, of which $933.2 million consisted of investment grade notes and $116.8 million of below investment grade notes were retained by us;
- Issued $500.0 million aggregate principal amount of 7.875% senior unsecured notes due 2030 through a private offering. A portion of the net proceeds were used to repay the remaining outstanding 7.50% convertible senior notes due August 2025; and
- Raised net proceeds of $39.7 million from the issuance of 3,390,207 shares of our common stock at an average price of $11.72 per share.

Structured Business Activity

- Balance sheet portfolio of $11.71 billion, as loan originations of $956.7 million outpaced loan runoff totaling $734.2 million;
- We modified 19 loans with a total UPB of $808.6 million which were modified to provide temporary rate relief through a pay and accrual feature (see Note 3 for details);
- Received cash distributions totaling $67.4 million and recognized income of $48.0 million from our equity investments in Lexford and a residential mortgage banking business (see Note 8 for details); and
- We foreclosed on two loans with a net carrying value of $107.8 million and charged-off $16.6 million of specific CECL reserves.

Agency Business Activity. Servicing portfolio of $35.17 billion (up $1.41 billion); Agency originations of $1.98 billion, including $391.2 million of new Agency loans that were recaptured from our Structured Business runoff.

Subsequent Events.

- In October 2025, we unwound CLO 16, redeeming the remaining outstanding notes totaling $482.1 million; and
- In October 2025, we foreclosed on five loans with a total UPB of $127.4 million that have specific reserves totaling $17.8 million..

Current Market Conditions, Risks and Recent Trends

During 2025, the Federal Reserve has so far lowered the federal funds rate twice totaling a 50-basis point reduction. General consensus is that the Federal Reserve may continue to lower rates in the near term. This high-interest rate environment, that has persisted longer than anticipated, could persist even longer if certain key economic indicators fail to align with the Federal Reserve's expectations. Although short-term interest rates have declined, long-term interest rates remain highly volatile since the announcement of the current administrator's imposition of increased tariffs and macroeconomic uncertainty. Analysts currently hold mixed expectations regarding the future trajectory of long-term rates for the remainder of 2025 due to the uncertainty regarding long-term inflation, fiscal policy, increased federal spending and larger deficits as a result of the recent enactment of the One Big Beautiful Bill Act ("OBBBA"), as described below.

As a result of the significant volatility in rates and the unpredictable impact of the tariff negotiations and the OBBBA, it is very difficult to predict where short and long-term rates will settle for the remainder of the year.

This elevated and unpredictable rate environment has resulted in, and may continue to result in, increased payment delinquencies and defaults, increased loan modifications and foreclosures and declining real estate values of certain asset classes, all of which have impacted, and may continue to impact, our future results of operations, financial condition, business prospects and ability to make distributions to our stockholders. Additionally, this high-interest rate environment has limited our ability to resolve delinquent loans, leading to additional foreclosures and REO assets on our balance sheet, all of which could have a further material adverse effect on our future results of operations, financial condition, liquidity and ability to make distributions to our stockholders.

We employ rigorous risk management and underwriting practices to proactively maintain the quality of our loan portfolio and work very closely with borrowers to mitigate potential losses, while safeguarding the integrity of our portfolio, which may include modifying original loan terms. Given the current elevated interest rate environment, we cannot guarantee that our loan portfolio will continue to perform under the current loan terms.

In general, a rising or high-interest rate environment positively impacts our net interest income since our structured loan portfolio exceeds our corresponding debt balances, and the vast majority of our loan portfolio is floating rate based on SOFR. Additionally, since a sizable portion of our debt consists of fixed-rate instruments (such as senior unsecured notes), as compared to our structured loan portfolio, the increase in interest income from high interest rates tends to outpace the rise in interest expense on our debt. Furthermore, our earnings on escrows and cash balances also benefit from an elevated rate environment. However, the prolonged period of elevated interest rates has also led to a significant increase in loan delinquencies, modifications, foreclosures and decreases in loan originations and cash and escrow balances, which is having, and may continue to have, a negative impact on our net interest income. Additionally, the prolonged high-interest rate environment has contributed to a decline in certain commercial real estate values, leading to increased reserves, when the collateral value is considered insufficient to fully repay the loans.

The above mentioned short-term interest rate reductions have resulted, and will continue to result, in a decrease in the net interest income on our floating rate loan book and reductions in the earnings on our cash and escrow balances. For additional details, see "Quantitative and Qualitative Disclosures about Market Risk" below.

The elevated and volatile interest rates, along with geopolitical uncertainty, has caused some disruptions in certain segments of the financial services, real estate and credit markets. As stated earlier, this environment has also caused a decrease in the performance of certain of our assets, leading to increased defaults and delinquencies. If our borrowers and their tenants continue to be impacted by these adverse economic and market conditions, or by the other risks disclosed in our filings with the SEC, it could have a material adverse effect on our liquidity and capital resources. Despite these periodic disruptions, we have been successful in raising capital through various vehicles, when needed, to continue to operate and strengthen our business. Additionally, although the majority of our cash is currently on deposit with major financial institutions, our balances often exceed insured limits. We limit the exposure relating to these balances by diversifying them among various counterparties. Generally, deposits may be redeemed upon demand and are maintained at financial institutions with reputable credit and, therefore, we believe we bear minimal credit risk.

We are a national originator with Fannie Mae and Freddie Mac, and the GSEs remain the most significant providers of capital to the multifamily market. FHFA set its 2025 Caps for Fannie Mae and Freddie Mac at $73 billion for each enterprise for a total opportunity of $146 billion, which is an increase from its 2024 Caps of $70 billion for each enterprise. FHFA stated they will continue to monitor the market and reserves the right to increase the 2025 Caps if warranted, however, they will not reduce the 2025 Caps if the market is smaller than initially projected. To promote affordable housing preservation, loans classified as supporting workforce housing properties will be exempt from the 2025 Caps. Workforce housing loans preserve rents at affordable levels in multifamily properties, typically without the use of public subsidies. The 2025 Caps will continue to mandate that at least 50% be directed towards mission driven, affordable housing, with affordability levels corresponding to 80%-120% of area median income, depending on the market. Our originations with the GSEs are highly profitable executions as they provide significant gains from the sale of our loans, non-cash gains related to MSRs and servicing revenues. We are also unsure whether FHFA will impose stricter limitations on GSE multifamily production volume in the future.

On July 4, 2025, the OBBBA was enacted into law. This comprehensive legislation introduces wide-ranging changes to federal tax policy, entitlement programs, immigration enforcement and infrastructure investment. The OBBBA includes potential changes to broader corporate tax provisions that may affect certain aspects of our business operations and tax exposure over the course of the next few years. Additionally, various indirect components of the legislation, such as modifications to entitlement funding, increased federal spending and shifts in fiscal and regulatory priorities, may influence the capital markets, interest rate environment and demand for commercial real estate finance. We are reviewing the potential implications of the new law, including interpretive guidance related to corporate taxation, and as a result of the complexity of the legislation and the evolving nature of its implementation, it is difficult to predict the effects of this legislation on our business, financial condition, results of operations or the real estate markets in general.

Changes in Financial Condition

Assets — Comparison of balances at September 30, 2025 to December 31, 2024:

Our Structured loan and investment portfolio balance was $11.71 billion and $11.30 billion at September 30, 2025 and December 31, 2024, respectively. This increase was primarily due to loan originations exceeding loan runoff by $744.5 million (see below for details), partially offset by loans we foreclosed on and received ownership of the underlying collateral as REO assets.

The portfolio had a weighted average current interest pay rate of 6.64% and 6.90% at September 30, 2025 and December 31, 2024, respectively. Including certain fees earned and costs, the weighted average current interest rate was 7.27% and 7.80% at September 30, 2025 and December 31, 2024, respectively. Our debt that finances our Structured loan and investment portfolio totaled $9.93 billion and $9.46 billion at September 30, 2025 and December 31, 2024, respectively, with a weighted average funding cost of 6.39% and 6.55%, respectively, which excludes financing costs. Including financing costs, the weighted average funding rate was 6.72% and 6.88%, at September 30, 2025 and December 31, 2024. respectively.

Activity from our Structured Business portfolio is comprised of the following ($ in thousands):

	Three Months Ended September 30, 2025	Nine Months Ended September 30, 2025
Loans originated	$ 956,741	$ 2,420,406
Number of loans	30	69
Weighted average interest rate	8.76%	8.72%
Loan runoff	$ 734,209	$ 1,675,859
Number of loans	27	96
Weighted average interest rate	8.53%	8.57%
Loans modified	$ 808,588	$ 2,010,323
Number of loans	19	48
Loans extended	$ 1,333,083	$ 3,834,270
Number of loans	81	221

Loans held-for-sale from the Agency Business decreased $116.6 million, primarily from loan sales exceeding originations by $118.6 million as noted in the following table. Activity from our Agency Business portfolio is comprised of the following (in thousands):

	Three Months Ended September 30, 2025		Nine Months Ended September 30, 2025	
	Loan Originations	Loan Sales	Loan Originations	Loan Sales
Freddie Mac	$ 1,103,120	1,095,626	$ 1,431,479	$ 1,508,575
Fannie Mae	872,753	915,941	1,913,770	1,928,962
SFR - Fixed Rate	7,242	13,909	39,905	39,905
Private Label	—	—	44,925	—
FHA	—	1,339	$ 16,041	87,247
Total	$ 1,983,115	$ 2,026,815	$ 3,446,120	$ 3,564,689

Investments is equity affiliates decreased $19.0 million, primarily due to $22.0 million in distributions received from the completed sale of the residential mortgage banking business.

Real estate owned increased $294.8 million, primarily due to the foreclosure of twelve multifamily bridge loans totaling $368.1 million, through which we took back the underlying collateral, partially offset by the sale of four multifamily properties.

Due from related party increased $17.1 million, primarily due to funds from payoffs to be remitted by our affiliated servicing operations related to real estate transactions at the end of the reporting period. These amounts were remitted to us in October 2025.

Liabilities – Comparison of balances at September 30, 2025 to December 31, 2024:

Credit and repurchase facilities increased $564.1 million, primarily due to refinancing loans from the unwind of two CLOs with our new $1.15 billion repurchase facility and loan originations exceeding runoff in our Structured Business, partially offset by transferring loans into BTR CLO 1 and CLO 20.

Securitized debt decreased $454.3 million, primarily due to the unwind of CLO 14 and CLO 19 totaling $1.08 billion and paydowns on our existing securitizations of $852.1 million, partially offset by the issuances of BTR CLO 1 and CLO 20 where we issued $1.49 billion of notes to third-party investors.

Senior unsecured notes increased $492.1 million, primarily due to our issuance of $500.0 million of 7.875% senior unsecured notes due 2030.

In August 2025, we fully redeemed our 7.50% convertible senior notes with a remaining outstanding balance of $287.5 million with a portion of the net proceeds received from our 7.875% senior unsecured notes due 2030 that were issued in July 2025.

Mortgage notes payable — real estate owned increased $115.8 million, primarily due to the addition of mortgage notes payable totaling $164.9 million on new REO assets and financing received on an existing REO asset, partially offset by the payoff of $49.1 million of mortgage notes payable associated with the sale of REO assets.

Equity

See Note 16 for details of our issuances of common stock, dividends declared and deferred compensation transactions.

Agency Servicing Portfolio

The following table sets forth the characteristics of our loan servicing portfolio collateralizing our mortgage servicing rights and servicing revenue ($ in thousands):

	September 30, 2025								
Product	Portfolio UPB	Loan Count	Wtd. Avg. Age of Portfolio (years)	Wtd. Avg. Life of Portfolio (years)	Interest Rate Type: Fixed	Interest Rate Type: Adjustable	Wtd. Avg. Note Rate	Annualized Prepayments as a % of Portfolio (1)	Delinquencies as a % of Portfolio (2)
Fannie Mae	$ 23,468,256	2,678	4.2	5.7	97 %	3 %	4.66 %	3.35 %	2.27 %
Freddie Mac	7,090,516	1,137	3.2	6.2	89 %	11 %	4.98 %	4.06 %	3.69 %
Private Label	2,561,736	159	4.1	4.8	100 %	—	4.15 %	0.59 %	1.35 %
FHA	1,492,536	104	4.2	19.1	100 %	—	3.83 %	1.53 %	—
SFR - Fixed Rate	279,650	50	3.1	4.1	100 %	—	5.63 %	3.20 %	1.61 %
Bridge	277,935	3	2.8	2.3	85 %	15 %	6.37 %	—	—
Total	$ 35,170,629	4,131	4.0	6.3	96 %	4 %	4.68 %	3.18 %	2.37 %
	December 31, 2024								
Fannie Mae	$ 22,730,056	2,644	3.9	6.4	96 %	4 %	4.60 %	2.19 %	1.27 %
Freddie Mac	6,077,020	1,159	3.3	6.8	86 %	14 %	4.91 %	5.78 %	3.63 %
Private Label	2,605,980	161	3.4	5.5	100 %	—	4.15 %	—	0.43 %
FHA	1,506,948	106	3.6	19.2	100 %	—	3.79 %	—	—
Bridge	278,494	3	2.0	3.0	85 %	15 %	6.41 %	—	—
SFR - Fixed Rate	271,859	52	2.8	4.4	100 %	—	5.47 %	9.02 %	1.66 %
Total	$ 33,470,357	4,125	3.7	6.9	95 %	5 %	4.60 %	2.61 %	1.57 %

(1) Prepayments reflect loans repaid prior to six months from the loan maturity. The majority of our loan servicing portfolio has a prepayment protection term and therefore, we may collect a prepayment fee which is included as a component of servicing revenue, net. See Note 5 for details.

(2) Delinquent loans reflect loans that are contractually 60 days or more past due. At September 30, 2025 and December 31, 2024, delinquent loans totaled $832.8 million and $524.5 million, respectively. At September 30, 2025, there was one loan totaling $24.4 million in bankruptcy and 19 loans totaling $104.7 million have been foreclosed. At December 31, 2024, there were two loans totaling $4.8 million in bankruptcy and six loans totaling $28.2 million were foreclosed.

Our Agency Business servicing portfolio represents commercial real estate loans, which are generally transferred or sold within 60 days from the date the loan is funded. Primarily all loans in our servicing portfolio are collateralized by multifamily properties. In addition, we are generally required to share in the risk of any losses associated with loans sold under the Fannie Mae DUS program, see Note 11.

Comparison of Results of Operations for the Three Months Ended September 30, 2025 and 2024

The following table provides our consolidated operating results ($ in thousands):

	Three Months Ended September 30,		Increase / (Decrease)	
	2025	2024	Amount	Percent
Interest income	$ 223,001	$ 286,522	$ (63,521)	(22)%
Interest expense	184,735	197,710	(12,975)	(7)%
Net interest income	38,266	88,812	(50,546)	(57)%
Other revenue:				
Gain on sales, including fee-based services, net	23,340	18,638	4,702	25%
Mortgage servicing rights	15,538	13,195	2,343	18%
Servicing revenue, net	29,652	31,142	(1,490)	(5)%
Property operating income	4,189	1,507	2,682	178%
Gain (loss) on derivative instruments, net	(2,206)	822	(3,028)	nm
Other income, net	3,650	2,537	1,113	44%
Total other revenue	74,163	67,841	6,322	9%
Other expenses:				
Employee compensation and benefits	44,169	44,881	(712)	(2)%
Selling and administrative	13,698	13,141	557	4%
Property operating expenses	7,296	1,686	5,610	nm
Depreciation and amortization	5,355	1,944	3,411	175%
Provision for loss sharing (net of recoveries)	8,256	3,180	5,076	160%
Provision for credit losses (net of recoveries)	19,694	16,220	3,474	21%
Total other expenses	98,468	81,052	17,416	21%
Income before loss on real estate, income from equity affiliates and income taxes	13,961	75,601	(61,640)	(82)%
Loss on real estate	(555)	—	(555)	nm
Income from equity affiliates	46,204	3,177	43,027	nm
Provision for income taxes	(7,594)	(5,233)	(2,361)	45%
Net income	52,016	73,545	(21,529)	(29)%
Preferred stock dividends	10,342	10,342	—	—
Net income attributable to noncontrolling interest	3,211	5,028	(1,817)	(36)%
Net income attributable to common stockholders	$ 38,463	$ 58,175	$ (19,712)	(34)%

nm — not meaningful

The following table presents the average balance of our Structured Business interest-earning assets and interest-bearing liabilities, associated interest income (expense) and the corresponding weighted average yields ($ in thousands):

	Three Months Ended September 30,					
	2025			2024		
	Average Carrying Value (1)	Interest Income / Expense	W/A Yield / Financing Cost (2)	Average Carrying Value (1)	Interest Income / Expense	W/A Yield / Financing Cost (2)
Structured Business interest-earning assets:						
Bridge loans	$ 11,158,987	$ 190,070	6.76 %	$ 11,405,511	$ 259,538	9.03 %
Mezzanine	278,505	7,394	10.53 %	273,370	6,852	9.94 %
Preferred equity investments	164,095	4,199	10.15 %	119,217	2,378	7.91 %
Other	159,408	4,478	11.14 %	3,511	98	11.07 %
Core interest-earning assets	11,760,995	206,141	6.95 %	11,801,609	268,866	9.04 %
Cash equivalents	242,727	2,113	3.45 %	425,304	5,236	4.88 %
Total interest-earning assets	$ 12,003,722	$ 208,254	6.88 %	$ 12,226,913	$ 274,102	8.89 %
Structured Business interest-bearing liabilities:						
Credit and repurchase facilities	$ 4,089,604	$ 76,735	7.44 %	$ 2,849,786	$ 61,050	8.50 %
CLO	3,889,945	65,412	6.67 %	5,381,995	101,175	7.46 %
Unsecured debt	1,798,397	30,413	6.71 %	1,542,500	23,943	6.16 %
Trust preferred	154,336	2,934	7.54 %	154,336	3,354	8.62 %
Q Series securitization	26,832	664	9.82 %	164,046	3,423	8.28 %
Total interest-bearing liabilities	$ 9,959,114	176,158	7.02 %	$ 10,092,663	192,945	7.58 %
Net interest income		$ 32,096			$ 81,157	

(1) Based on UPB for loans, amortized cost for securities and principal amount of debt.
(2) Weighted average yield calculated based on annualized interest income or expense divided by average carrying value.

Net Interest Income

The decrease in interest income was mainly due to a $65.8 million decrease from our Structured Business. The decline was primarily due to a decrease in the average yield on core interest-earning assets and, to a lesser extent, a decrease in the average balance of our core interest-earning assets (loan runoff exceeded loan originations in 2024) and lower average bank balances. The decrease in the average yield was mainly from a decrease in SOFR, the reversal of interest that was previously accrued on modified loans and a reduction in back interest earned on delinquent and modified loans, as well as an increase in new delinquencies and modified loans at lower rates.

The decrease in interest expense was mainly due to a $16.8 million decrease from our Structured Business, primarily due to a reduction in the average cost of interest-bearing liabilities (mainly from a decrease in SOFR) and a decline in the average balance of our interest-bearing liabilities from a decrease in the average loan portfolio, note paydowns in our securitizations and the payoff of our 7.50% convertible senior notes.

Agency Business Revenue

The increase in gain on sales, including fee-based services, net was primarily due to a 81% increase in loan sales volume ($907.8 million), partially offset by a 31% decrease in the sales margin from 1.67% to 1.15%. The decrease in the sales margin was mainly due to larger portfolio deals that closed in the current quarter that produced lower margins.

The increase in income from MSRs was primarily due to a 90% increase in loan commitment volume ($947.0 million), largely offset by a 38% decrease in the MSR rate from 1.25% to 0.78%. The decrease in the MSR rate was mainly due to higher percentage of Freddie Mac loan commitments which contain lower servicing fees, as well as larger portfolio deals that closed in the quarter that produced lower margins.

The decrease in servicing revenue, net was primarily due to a decrease in earnings on escrow balances from lower average balances and a decrease in the applicable interest rate, partially offset by an increase in servicing fees due to growth in our servicing portfolio.

Other Income (Loss)

The increases in property operating income and expenses were due to the addition of several new REO assets. This is also the reason for the increase in depreciation and amortization.

The gains and losses on derivative instruments in 2025 and 2024 were related to changes in the fair values of our forward sale commitments and swaps held by our Agency Business as a result of changes in market interest rates as well as from the timing of GSE Agency loan sales.

The increase in other income, net was primarily due to increases in loan fees from higher loan originations.

Other Expenses

The increase in the provision for loss sharing (net of recoveries) primarily reflects larger specific loan impairment reserves taken in the current year period as a result of an increase in delinquencies.

The increase in the provision for credit losses (net of recoveries) was primarily related to an increase in specific reserves recorded on multifamily loans and the weakening in the general macroeconomic outlook of the commercial real estate market in the current year period.

Loss on Real Estate

In 2025, we sold an REO asset for $10.1 million and recognized a $0.6 million loss.

Income from Equity Affiliates

Income from equity affiliates in 2025 primarily reflects $48.0 million of income recognized related to the cash distribution received from our Lexford joint venture; while income in 2024 primarily reflects a $4.9 million cash distribution received from Lexford, partially offset by losses from our investments in a residential mortgage banking business and AMAC III totaling $1.5 million.

Provision for Income Taxes

In the three months ended September 30, 2025, we recorded a tax provision of $7.6 million, which consisted of a current tax provision of $9.4 million and a deferred tax benefit of $1.8 million. In the three months ended September 30, 2024, we recorded a tax provision of $5.2 million, which consisted of a current tax provision of $7.2 million and a deferred tax benefit of $2.0 million.

Net Income Attributable to Noncontrolling Interest

The noncontrolling interest relates to the outstanding OP Units (see Note 16). There were 16,173,761 and 16,293,589 OP Units outstanding at September 30, 2025 and 2024, respectively, which represented 7.6% and 8.0% of our outstanding stock at September 30, 2025 and 2024, respectively.

Comparison of Results of Operations for the Nine Months Ended September 30, 2025 and 2024

The following table provides our consolidated operating results ($ in thousands):

	Nine Months Ended September 30,		Increase / (Decrease)	
	2025	2024	Amount	Percent
Interest income	$ 703,997	$ 905,002	$ (201,005)	(22)%
Interest expense	521,564	624,613	(103,049)	(16)%
Net interest income	182,433	280,389	(97,956)	(35)%
Other revenue:				
Gain on sales, including fee-based services, net	49,779	52,752	(2,973)	(6)%
Mortgage servicing rights	34,598	37,928	(3,330)	(9)%
Servicing revenue, net	82,692	92,577	(9,885)	(11)%
Property operating income	14,028	4,521	9,507	nm
Gain (loss) on derivative instruments, net	1,413	(4,711)	6,124	nm
Other income, net	12,059	6,955	5,104	73%
Total other revenue	194,569	190,022	4,547	2%
Other expenses:				
Employee compensation and benefits	131,386	135,411	(4,025)	(3)%
Selling and administrative	44,868	39,897	4,971	12%
Property operating expenses	17,572	4,948	12,624	nm
Depreciation and amortization	14,947	6,937	8,010	115%
Provision for loss sharing (net of recoveries)	14,258	7,787	6,471	83%
Provision for credit losses (net of recoveries)	47,773	64,903	(17,130)	(26)%
Total other expenses	270,804	259,883	10,921	4%
Income before extinguishment of debt, (loss) gain on real estate, income from equity affiliates and income taxes	106,198	210,528	(104,330)	(50)%
Loss on extinguishment of debt	(2,319)	(412)	(1,907)	nm
(Loss) gain on real estate	(4,813)	3,813	(8,626)	nm
Income from equity affiliates	47,224	7,388	39,836	nm
Provision for income taxes	(14,583)	(12,726)	(1,857)	15%
Net income	131,707	208,591	(76,884)	(37)%
Preferred stock dividends	31,027	31,027	—	—
Net income attributable to noncontrolling interest	7,828	14,119	(6,291)	(45)%
Net income attributable to common stockholders	$ 92,852	$ 163,445	$ (70,593)	(43)%

nm — not meaningful

The following table presents the average balance of our Structured Business interest-earning assets and interest-bearing liabilities, associated interest income (expense) and the corresponding weighted average yields ($ in thousands):

	Nine Months Ended September 30,					
	2025			2024		
	Average Carrying Value (1)	Interest Income / Expense	W/A Yield / Financing Cost (2)	Average Carrying Value (1)	Interest Income / Expense	W/A Yield / Financing Cost (2)
Structured Business interest-earning assets:						
Bridge loans	$ 11,066,489	$ 625,717	7.56%	$ 11,776,926	$ 809,011	9.15%
Mezzanine	264,120	19,857	10.05%	262,495	20,465	10.39%
Preferred equity investments	154,385	11,524	9.98%	111,083	6,116	7.33%
Other	77,609	6,553	11.29%	5,110	401	10.45%
Core interest-earning assets	11,562,603	663,651	7.67%	12,155,614	835,993	9.16%
Cash equivalents	181,203	4,669	3.44%	747,266	28,074	5.00%
Total interest-earning assets	$ 11,743,806	$ 668,320	7.61%	$ 12,902,880	$ 864,067	8.92%
Structured Business interest-bearing liabilities:						
Credit and repurchase facilities	$ 4,000,547	$ 224,533	7.50%	$ 2,766,385	$ 175,542	8.45%
CLO	3,822,730	187,685	6.56%	6,078,735	338,582	7.42%
Unsecured debt	1,622,106	80,321	6.62%	1,572,391	73,214	6.20%
Trust preferred	154,336	8,831	7.65%	154,336	10,044	8.67%
Q Series securitization	35,432	2,225	8.40%	183,342	11,225	8.16%
Total interest-bearing liabilities	$ 9,635,151	503,595	6.99%	$ 10,755,189	608,607	7.54%
Net interest income		$ 164,725			$ 255,460	

(1) Based on UPB for loans, amortized cost for securities and principal amount of debt.
(2) Weighted average yield calculated based on annualized interest income or expense divided by average carrying value.

Net Interest Income

The decrease in interest income was mainly due to a $195.7 million decrease from our Structured Business. The decline was primarily due to a decrease in the average yield on core interest-earning assets and, to a lesser extent, a decrease in the average balance of our core interest-earning assets (loan runoff exceeded loan originations in 2024) and lower average bank balances. The decrease in the average yield was mainly from a decrease in SOFR, the reversal of interest that was previously accrued on modified loans and a reduction in back interest earned on delinquent and modified loans, as well as an increase in new delinquencies and modified loans at lower rates.

The decrease in interest expense was mainly due to a $105.0 million decrease from our Structured Business, primarily due to a decline in the average balance of our interest-bearing liabilities (from a decrease in the average loan portfolio and note paydowns in our securitizations) and a reduction in the average cost of interest-bearing liabilities (mainly from a decrease in SOFR).

Agency Business Revenue

The decrease in gain on sales, including fee-based services, net was primarily due to a 12% decrease in the sales margin from 1.58% to 1.40%, partially offset by a 7% increase in loan sales volume ($225.1 million). The decrease in the sales margin was mainly due to the portfolio mix and larger portfolio deals in 2025 that produced lower margins.

The decrease in income from MSRs was primarily due to a 20% decrease in the MSR rate from 1.23% to 0.99%, partially offset by a 13% increase in loan commitment volume ($411.3 million). The decrease in the MSR rate was mainly due to a decrease in the Fannie Mae MSR rates from lower servicing rates on newer loans, as well as larger portfolio deals in 2025 that produced lower margins.

The decrease in servicing revenue, net was primarily due to a decrease in earnings on escrow balances from lower average balances and a decrease in the applicable interest rate, partially offset by an increase in servicing fees due to growth in our servicing portfolio.

Other Income (Loss)

The increases in property operating income and expenses were due to the addition of several new REO assets. This is also the reason for the increase in depreciation and amortization.

The gains and losses on derivative instruments in 2025 and 2024 were related to changes in the fair values of our forward sale commitments and swaps held by our Agency Business as a result of changes in market interest rates as well as from the timing of GSE Agency loan sales.

The increase in other income, net was primarily due to increases in the fair values of our Private Label loans and loan fees from higher loan originations.

Other Expenses

The increase in selling and administrative expenses was primarily due to increases in legal and professional fees.

The increase in the provision for loss sharing (net of recoveries) primarily reflects larger specific loan impairment reserves taken in the current year period.

The decrease in the provision for credit losses (net of recoveries) primarily reflects a decrease is specifically impaired loans.

Loss on Extinguishment of Debt

The loss on extinguishment of debt in both 2025 and 2024 reflects deferred financing fees recognized in connection with the unwind of CLOs.

(Loss) Gain on Real Estate

The loss on real estate in 2025 is comprised of a $4.7 million loss on below market debt related to financing the sale of several REO assets and a $1.7 million loss on the foreclosure of loans we took back as REO assets, partially offset by a $1.6 million gain on REO sales. In 2024, we sold a real estate owned asset for $14.2 million and recognized a $3.8 million gain.

Income from Equity Affiliates

Income from equity affiliates in 2025 primarily reflects $51.4 million of income recognized related to the cash distributions received from our Lexford joint venture, partially offset by losses from our investments in AMAC III and a residential mortgage banking business totaling $4.4 million; while income in 2024 primarily reflects $9.0 million in cash distributions received from Lexford, partially offset by a $1.7 million loss from our AMAC III investment.

Provision for Income Taxes

In the nine months ended September 30, 2025, we recorded a tax provision of $14.6 million, which consisted of a current tax provision of $18.1 million and a deferred tax benefit of $3.5 million. In the nine months ended September 30, 2024, we recorded a tax provision of $12.7 million, which consisted of a current tax provision of $21.6 million and a deferred tax benefit of $8.9 million

Net Income Attributable to Noncontrolling Interest

The noncontrolling interest relates to the outstanding OP Units (see Note 16). There were 16,173,761 and 16,293,589 OP Units outstanding at September 30, 2025 and 2024, respectively, which represented 7.6% and 8.0% of our outstanding stock at September 30, 2025 and 2024, respectively.

Liquidity and Capital Resources

Sources of Liquidity. Liquidity is a measure of our ability to meet our potential cash requirements, including ongoing commitments to repay borrowings, satisfaction of collateral requirements under the Fannie Mae DUS risk-sharing agreement and, as an approved designated seller/servicer of Freddie Mac's SBL program, operational liquidity requirements of the GSE agencies, fund new loans and investments, fund operating costs and distributions to our stockholders, as well as other general business needs. Our primary sources of funds for liquidity consist of proceeds from equity and debt offerings, proceeds from CLOs and securitizations, debt facilities and cash flows from operations. We closely monitor our liquidity position and believe our existing sources of funds and access to additional liquidity will be adequate to meet our liquidity needs.

The elevated and volatile interest rates, along with geopolitical uncertainty, has caused some disruptions in certain segments of the financial services, real estate and credit markets. As stated earlier, this environment has also caused a decrease in the performance of certain of our assets, leading to increased defaults and delinquencies. If our borrowers and their tenants continue to be impacted by these adverse economic and market conditions, or by the other risks disclosed in our filings with the SEC, it could have a material adverse effect on our liquidity and capital resources.

As described in Note 10, certain of our repurchase facilities include margin call provisions associated with changes in interest spreads which are designed to limit the lenders credit exposure. If we experience significant decreases in the value of the properties serving as

collateral under these repurchase agreements, which is set by the lenders based on current market conditions, the lenders have the right to require us to repay all, or a portion, of the funds advanced, or provide additional collateral. While we expect to extend or renew all of our facilities as they mature, we cannot provide assurance that they will be extended or renewed on as favorable terms.

We had $9.93 billion in total structured debt outstanding at September 30, 2025. Of this total, $6.09 billion, or 61%, does not contain mark-to-market provisions and is comprised of non-recourse securitized debt, senior unsecured debt and junior subordinated notes. The remaining $3.84 billion of debt is in credit and repurchase facilities with several different banks that we have long-standing relationships with. At September 30, 2025, we had $1.51 billion of debt from credit and repurchase facilities that were subject to margin calls related to changes in interest spreads.

At October 29, 2025, we had approximately $420 million in cash and liquidity. In addition to our ability to extend our credit and repurchase facilities and raise funds from equity and debt offerings, we also have a $35.17 billion agency servicing portfolio at September 30, 2025, which is mostly prepayment protected and generates approximately $127 million per year in recurring gross cash flow.

To maintain our status as a REIT under the Internal Revenue Code, we must distribute annually at least 90% of our REIT-taxable income. These distribution requirements limit our ability to retain earnings and thereby replenish or increase capital for operations. However, we believe that our capital resources and access to financing will provide us with financial flexibility and market responsiveness at levels sufficient to meet current and anticipated capital and liquidity requirements.

Cash Flows. Cash flows provided by operating activities totaled $389.3 million during the nine months ended September 30, 2025 and consisted primarily of net income (adjusted for the increase in CECL reserves of $62.0 million) of $193.7 million and net cash inflows of $113.0 million from loan sales exceeding loan originations in our Agency Business.

Cash flows used in investing activities totaled $727.6 million during the nine months ended September 30, 2025. Loan and investment activity (originations and payoffs/paydowns) comprise the majority of our investing activities. Loan originations from our Structured Business totaling $2.43 billion, net of payoffs and paydowns of $1.70 billion, resulted in net cash outflows of $727.1 million.

Cash flows provided by financing activities totaled $224.5 million during the nine months ended September 30, 2025 and consisted primarily of net cash inflows of $582.8 million from debt facility activities (financed loan originations were greater than facility paydowns), $500.0 million cash inflow from issuance of senior unsecured notes and net cash inflows of $98.6 million from mortgage notes payable activities (proceeds exceeded payoffs and paydowns), partially offset by $446.0 million of net securitized debt activity (payoffs and paydowns exceeded proceeds), $287.5 million payoff of our convertible notes and $245.9 million of distributions to our stockholders and OP Unit holders.

Agency Business Requirements. The Agency Business is subject to supervision by certain regulatory agencies. Among other things, these agencies require us to meet certain minimum net worth, operational liquidity and restricted liquidity collateral requirements, purchase and loss obligations and compliance with reporting requirements. Our adjusted net worth and operational liquidity exceeded the agencies' requirements at September 30, 2025. Our restricted liquidity and purchase and loss obligations were satisfied with letters of credit totaling $75.0 million and cash. See Note 14 for details about our performance regarding these requirements.

We also enter into contractual commitments with borrowers providing rate lock commitments while simultaneously entering into forward sale commitments with investors. These commitments are outstanding for short periods of time (generally less than 60 days) and are described in Note 12.

Debt Facilities. We maintain various forms of short-term and long-term financing arrangements. Borrowings underlying these arrangements are primarily secured by a significant amount of our loans and investments and substantially all our loans held-for-sale. The following is a summary of our debt facilities ($ in thousands):

	September 30, 2025			
Debt Instruments	**Commitment**	**UPB (1)**	**Available**	**Maturity Dates (2)**
Structured Business				
Credit and repurchase facilities	$ 8,138,821	$ 3,839,323	$ 4,299,498	2025 - 2028
Securitized debt (3)	4,188,340	4,188,340	—	2025 - 2030
Senior unsecured notes	1,745,000	1,745,000	—	2026 - 2030
Junior subordinated notes	154,336	154,336	—	2034 - 2037
Mortgage notes payable - real estate owned	190,688	190,688	—	2025 - 2027
Structured Business total	14,417,185	10,117,687	4,299,498	
Agency Business				
Credit and repurchase facilities (4)	1,800,000	294,642	1,505,358	2025 - 2027
Consolidated total	$ 16,217,185	$ 10,412,329	$ 5,804,856	

(1) Excludes the impact of deferred financing costs.
(2) See Note 14 for a breakdown of debt maturities by year. These maturity dates exclude extension options.
(3) Maturity dates represent the weighted average remaining maturity based on the underlying collateral at September 30, 2025.
(4) The $750 million As Soon as Pooled ® Plus ("ASAP") agreement we have with Fannie Mae has no expiration date.

We utilize our credit and repurchase facilities primarily to finance our loan originations on a short-term basis prior to loan securitizations, including through CLOs. The timing, size and frequency of our securitizations impact the balances of these borrowings and produce some fluctuations. The following table provides additional information regarding the balances of our borrowings (in thousands):

Quarter Ended	**Quarterly Average UPB**	**End of Period UPB**	**Maximum UPB at Any Month End**
September 30, 2025	$ 4,633,344	$ 4,133,965	$ 5,553,722
June 30, 2025	4,846,239	4,730,120	4,922,270
March 31, 2025	3,609,646	4,791,967	4,803,572
December 31, 2024	3,412,416	3,607,907	3,793,231
September 30, 2024	3,082,185	3,264,033	3,299,414

Our debt facilities, including their restrictive covenants, are described in Note 10.

Off-Balance Sheet Arrangements. At September 30, 2025, we had no off-balance sheet arrangements.

Inflation. During 2025, the Federal Reserve has so far lowered the federal funds rate twice totaling a 50-basis point reduction. General consensus is that the Federal Reserve may continue to lower rates in the near term. This high-interest rate environment, that has persisted longer than anticipated, could persist even longer if certain key economic indicators fail to align with the Federal Reserve's expectations. Although short-term interest rates have declined, long-term interest rates remain highly volatile since the announcement of the current administrator's imposition of increased tariffs and macroeconomic uncertainty. Analysts currently hold mixed expectations regarding the future trajectory of long-term rates for the remainder of 2025 due to the uncertainty regarding long-term inflation, fiscal policy, increased federal spending and larger deficits as a result of the recent enactment of the OBBBA. As a result of the significant volatility in rates and the unpredictable impact of the tariff negotiations and the OBBBA, it is very difficult to predict where short and long-term rates will settle for the remainder of the year.

This elevated and unpredictable rate environment has resulted in, and may continue to result in, increased payment delinquencies and defaults, increased loan modifications and foreclosures and declining real estate values of certain asset classes, all of which have impacted, and may continue to impact, our future results of operations, financial condition, business prospects and ability to make distributions to our stockholders. Additionally, this high-interest rate environment has limited our ability to resolve delinquent loans, leading to additional foreclosures and REO assets on our balance sheet, all of which could have a further material adverse effect on our future results of operations, financial condition, liquidity and ability to make distributions to our stockholders.

For additional details, see "Current Market Conditions, Risks and Recent Trends" above and "Quantitative and Qualitative Disclosures about Market Risk" below.

Contractual Obligations. During the nine months ended September 30, 2025, the following significant changes were made to our contractual obligations disclosed in our 2024 Annual Report:

- Entered into a new repurchase facility totaling $1.15 billion;
- Unwound CLO 14 and CLO 19, repaying $1.08 billion of outstanding notes;
- Closed two collateralized securitization vehicles (BTR CLO 1 & CLO 20) totaling $1.85 billion of notes issued, of which notes totaling $277.1 million were retained by us;
- Paid down outstanding notes on existing securitizations totaling $852.1 million;
- Modified existing debt facilities resulting in a decrease in the committed amount by $300.0 million;
- Issued $500.0 million aggregate principal amount of 7.875% senior unsecured notes due 2030; and
- Fully settled our 7.50% convertible senior notes totaling $287.5 million at maturity.

Refer to Note 14 for a description of our debt maturities by year and unfunded commitments at September 30, 2025.

Derivative Financial Instruments

We enter into derivative financial instruments in the normal course of business to manage the potential loss exposure caused by fluctuations of interest rates. See Note 12 for details.

Critical Accounting Policies

Refer to Note 2 of the Notes to Consolidated Financial Statements in our 2024 Annual Report for a discussion of our critical accounting policies. During the nine months ended September 30, 2025, there were no material changes to these policies.

Non-GAAP Financial Measures

Distributable Earnings. We are presenting distributable earnings because we believe it is an important supplemental measure of our operating performance and is useful to investors, analysts and other parties in the evaluation of REITs and their ability to provide dividends to stockholders. Dividends are one of the principal reasons investors invest in REITs. To maintain REIT status, REITs are required to distribute at least 90% of their REIT-taxable income. We consider distributable earnings in determining our quarterly dividend and believe that, over time, distributable earnings is a useful indicator of our dividends per share.

We define distributable earnings as net income (loss) attributable to common stockholders computed in accordance with GAAP, adjusted for accounting items such as depreciation and amortization (adjusted for unconsolidated joint ventures), non-cash stock-based compensation expense, income from MSRs, amortization and write-offs of MSRs, gains/losses on derivative instruments primarily associated with Private Label loans not yet sold and securitized, changes in fair value of GSE-related derivatives that temporarily flow through earnings, deferred tax provision (benefit), CECL provisions for credit losses (adjusted for realized losses as described below), and gains/losses on the receipt of real estate from the settlement of loans (prior to the sale of the real estate). We also add back one-time charges such as acquisition costs and one-time gains/losses on the early extinguishment of debt and redemption of preferred stock.

We reduce distributable earnings for realized losses in the period we determine that a loan is deemed nonrecoverable in whole or in part. Loans are deemed nonrecoverable upon the earlier of: (1) when the loan receivable is settled (i.e., when the loan is repaid, or in the case of foreclosure, when the underlying asset is sold); or (2) when we determine that it is nearly certain that all amounts due will not be collected. The realized loss amount is equal to the difference between the cash received, or expected to be received, and the book value of the asset.

Distributable earnings is not intended to be an indication of our cash flows from operating activities (determined in accordance with GAAP) or a measure of our liquidity, nor is it entirely indicative of funding our cash needs, including our ability to make cash distributions. Our calculation of distributable earnings may be different from the calculations used by other companies and, therefore, comparability may be limited.

Distributable earnings are as follows ($ in thousands, except share and per share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Net income attributable to common stockholders	$ 38,463	$ 58,175	$ 92,852	$ 163,445
Adjustments:				
Net income attributable to noncontrolling interest	3,211	5,028	7,828	14,119
Income from mortgage servicing rights	(15,538)	(13,195)	(34,598)	(37,928)
Deferred tax benefit	(1,791)	(2,026)	(3,532)	(8,922)
Amortization and write-offs of MSRs	18,906	18,792	59,595	56,728
Depreciation and amortization	6,089	2,564	17,240	8,802
Loss on extinguishment of debt	—	—	2,319	412
Provision for credit losses, net	18,381	17,077	27,572	63,337
(Gain) loss on derivative instruments, net	2,110	(1,217)	(3,261)	4,677
Loss on real estate	369	—	5,035	—
Stock-based compensation	2,738	2,977	11,284	11,748
Distributable earnings (1)	$ 72,938	$ 88,175	$ 182,334	$ 276,418
Diluted weighted average shares outstanding (1)(2)	210,517,762	205,347,309	208,807,751	205,448,479
Diluted distributable earnings per share (1)	$ 0.35	$ 0.43	$ 0.87	$ 1.35

(1) Amounts are attributable to common stockholders and OP Unit holders. The OP Units are redeemable for cash, or at our option for shares of our common stock on a one-for-one basis.

(2) The diluted weighted average shares outstanding are adjusted to exclude the potential shares issuable upon conversion and settlement of our convertible senior notes principal balance, which were fully settled in the third quarter of 2025. No adjustment was necessary for the three and nine months ended September 30, 2025 and 2024, as their effect was anti-dilutive and not reflected in the diluted weighted average shares outstanding.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We disclosed a quantitative and qualitative analysis regarding market risk in Item 7A of our 2024 Annual Report. That information is supplemented by the information included above in Item 2 of this report. Other than the developments described thereunder, there have been no material changes in our exposure to market risk since December 31, 2024.

The following table projects the potential impact on interest (in thousands) for a 12-month period, assuming a hypothetical instantaneous increase or decrease of 50 basis points and a decrease of 100 basis points in corresponding interest rates. Since it is unlikely that interest rates will significantly increase in the near future as a result of the current high interest rate environment, we have excluded the impact of a 100 basis point increase in corresponding interest rates.

	Assets (Liabilities) Subject to Interest Rate Sensitivity (1)	50 Basis Point Increase	50 Basis Point Decrease	100 Basis Point Decrease
Interest income from loans and investments	$ 11,708,762	$ 46,666	$ (43,132)	$ (79,650)
Interest expense from debt obligations	(10,117,687)	41,153	(41,873)	(82,769)
Impact to net interest income from loans and investments		5,513	(1,259)	3,119
Interest income from cash, restricted cash and escrow balances (2)	1,949,900	9,750	(9,750)	(19,499)
Total impact from hypothetical changes in interest rates		$ 15,263	$ (11,009)	$ (16,380)

(1) Represents the UPB of our structured loan portfolio, the principal balance of our debt and the account balances of our cash, restricted cash and escrows at September 30, 2025.

(2) Our cash, restricted cash and escrows are currently earning interest at a weighted average blended rate of approximately 4.0%, or approximately $78 million annually. Interest income earned on our cash and restricted cash is included as a component of interest income and interest income earned on escrows is included as a component of servicing revenue, net in the consolidated statements of income. The interest earned on our cash, restricted cash and escrows is based on an average daily balance and may be different from the end of period balance.

We entered into treasury futures to hedge our exposure to changes in interest rates inherent in (1) our held-for-sale Agency Business Private Label loans from the time the loans are rate locked until sale and securitization, and (2) our Agency Business SFR – fixed rate loans from the time the loans are originated until the time they can be financed with match term fixed rate securitized debt. Our treasury futures are tied to the 5-year and 10-year treasury rates and hedge our exposure to Private Label loans, until the time they are securitized, and changes in the fair value of our held-for-sale Agency Business SFR – fixed rate loans. A 50 basis point and a 100 basis point increase to the 5-year and 10-year treasury rates on our treasury futures held at September 30, 2025 would have resulted in a gain of $1.4 million and $3.0 million, respectively, in the nine months ended September 30, 2025, while a 50 basis point and a 100 basis point decrease in the rates would have resulted in a loss of $1.8 million and $3.5 million, respectively.

Our Agency Business originates, sells and services a range of multifamily finance products with Fannie Mae, Freddie Mac and HUD. Our loans held-for-sale to these agencies are not currently exposed to interest rate risk during the loan commitment, closing and delivery process. The sale or placement of each loan to an investor is negotiated prior to closing on the loan with the borrower, and the sale or placement is generally effectuated within 60 days of closing. The coupon rate for the loan is set after we establish the interest rate with the investor.

In addition, the fair value of our MSRs is subject to market risk since a significant driver of the fair value of these assets is the discount rates. A 100 basis point increase in the weighted average discount rate would decrease the fair value of our MSRs by $13.2 million at September 30, 2025, while a 100 basis point decrease would increase the fair value by $13.8 million.

Item 4. Controls and Procedures

Management, with the participation of our chief executive officer and chief financial officer, has evaluated the effectiveness of our disclosure controls and procedures at September 30, 2025. Based on this evaluation, our chief executive officer and chief financial officer have concluded that our disclosure controls and procedures were effective at September 30, 2025.

There were no changes in our internal control over financial reporting during the quarter ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

Information with respect to certain legal proceedings is set forth in Note 14 and is incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes to the risk factors set forth in Item 1A of our 2024 Annual Report.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

We have a share repurchase program providing for the repurchase of up to $150.0 million of our outstanding common stock. The repurchase of our common stock may be made from time to time in the open market, through privately negotiated transactions, or otherwise in compliance with Rule 10b-18 and Rule 10b5-1 under the Exchange Act, based on our stock price, general market conditions, applicable legal requirements and other factors. At September 30, 2025, there was $138.6 million available for repurchase under this program. The program may be discontinued or modified at any time.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

There were no purchases made by, or on behalf of, us under our share repurchase program or by any "affiliated purchaser," as defined in Rule 10b-18(a)(3) under the Exchange Act, during the three months ended September 30, 2025.

Item 5. Other Information

During the period covered by this report, no Arbor director or officer adopted, modified or terminated any "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit #	Description	Incorporated by Reference		
		Form	Exhibit #	Filing Date
3.1	Articles of Incorporation of Arbor Realty Trust, Inc.	S-11	3.1	11/13/03
3.2	Articles of Amendment to Articles of Incorporation of Arbor Realty Trust, Inc.	10-Q	3.2	08/07/07
3.3	Amended and Restated Bylaws of Arbor Realty Trust, Inc.	8-K	3.1	12/01/20
4.1	Indenture, dated as of July 9, 2025, among Arbor Realty SR, Inc., Arbor Realty Trust, Inc. and UMB Bank, N.A., as trustee	8-K	4.1	07/09/25
4.2	Form of 7.875% Senior Notes due 2030 (included in Exhibit 4.1 hereto)	8-K	4.2	07/09/25
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rule 13a-14			
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rule 13a-14			
32	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
101	Financial statements from the Quarterly Report on Form 10-Q of Arbor Realty Trust, Inc. for the quarter ended September 30, 2025, filed on October 31, 2025, formatted in Inline Extensible Business Reporting Language ("XBRL"): (1) the Consolidated Balance Sheets, (2) the Consolidated Statements of Income, (3) the Consolidated Statements of Changes in Equity, (4) the Consolidated Statements of Cash Flows and (5) the Notes to Consolidated Financial Statements.			
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)			

In accordance with Item 601(b)(4)(iii)(A) of Regulation S-K, copies of certain instruments defining the rights of holders of our long-term debt are not filed herewith. Pursuant to this regulation, we hereby agree to furnish a copy of any such instrument to the SEC upon request.

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 thereunto duly authorized.

ARBOR REALTY TRUST, INC.

Date: October 31, 2025

By: /s/ Ivan Kaufman
Ivan Kaufman
Chief Executive Officer

Date: October 31, 2025

By: /s/ Paul Elenio
Paul Elenio
Chief Financial Officer