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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 11, 2021

GUILD HOLDINGS COMPANY
(Exact name of Registrant as Specified in Its Charter)

Commission file number: 001-39645

Delaware **(State of Incorporation)**	**85-2453154** **(IRS Employer Identification No.)**
5887 Copley Drive, **San Diego, California** **(Address of Principal Executive Offices)**	**92111** **(Zip Code)**

(858) 560-6330
(Registrant's telephone number, including area code)

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

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A common stock, $0.01 par value per share	**GHLD**	**The New York Stock Exchange**

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

Emerging growth company ☐

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

Item 2.02 Results of Operations and Financial Condition.

On August 11, 2021, Guild Holdings Company (the "Company"), issued a press release announcing its financial results for the second quarter ended June 30, 2021. A copy of the press release is furnished as Exhibit 99.1 hereto.

The information contained in this Item 2.02 of this Current Report on Form 8-K, as well as Exhibit 99.1, shall not be deemed "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise be subject to the liabilities of that section. It may only be incorporated by reference in another filing under the Exchange Act or Securities Act of 1933, as amended, if it is expressly incorporated by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description of Exhibit
99.1	Press Release issued by Guild Holdings Company on August 11, 2021
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

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

GUILD HOLDINGS COMPANY

Date: August 11, 2021	By:	/s/ Desiree A. Elwell
		Desiree A. Elwell
		Chief Financial Officer

Exhibit 99.1

GUILD HOLDINGS COMPANY REPORTS SECOND QUARTER 2021 RESULTS

- Generated Originations of $18 Billion Year-To-Date, up 23% Year-Over-Year -
- Net Income of $170 Million Year-To-Date, Representing a 54% Increase Year-Over-Year -
- Adjusted Net Income and Adjusted EBITDA of $52 Million and $75 Million, Respectively -
- Results Reinforce Resilient and Differentiated Business Model -
- Paid $1.00 Special Cash Dividend Per Share -
- Closed Acquisition of Residential Mortgage Services, Inc. Subsequent to Quarter End -

SAN DIEGO, California August 11, 2021 – Guild Holdings Company (NYSE: GHLD) ("Guild" or the "Company"), a growth-oriented mortgage company that employs a relationship-based loan sourcing strategy to execute on its mission of delivering the promise of homeownership, today announced results for the second quarter ended June 30, 2021.

Second Quarter 2021 Year-Over-Year Highlights

- Total funded originations of $8.2 billion compared to $8.8 billion
- Net revenue of $294.1 million compared to $435.1 million
- Net income of $8.9 million compared to $123.0 million
- Purchase originations represented $4.9 billion, or 59% of overall loan volume
- Adjusted EBITDA of $74.9 million compared to $243.5 million

Year-To-Date 2021 Highlights

- Total funded originations of $17.9 billion, up 23% from 2020
- Net revenue of $820.3 million, representing a 36% increase from 2020
- Net income of $169.5 million, up from $110.0 million in 2020
- Adjusted net income and Adjusted EBITDA down 33% year-over-year to $158.7 million and $219.2 million, respectively
- Return on equity of 42.8% and adjusted return on equity of 40.1% year-over-year

"I am proud that our team delivered originations of $8.2 billion during the second quarter. Originations increased 23% year-over-year and we reported adjusted net income of $158.7 million for the first half of 2021. Given the market dynamics and lingering uncertainty in the industry, we believe the resilience of our earnings demonstrates the efficacy of our differentiated business model focused on purchase lending," stated Mary Ann McGarry, Chief Executive Officer. "While we expect industry margins to continue to be pressured over the near-term, Guild remains well positioned to drive shareholder value while maintaining our consistent and proven record of profitability through various market and interest rate cycles."

Second Quarter Results:

- Originated 59% of closed loan origination volume from purchase business, compared to the Mortgage Bankers Association average of 44%
- Gain on sale margins on originations of 405 bps
- Gain on sale margins on pull-through adjusted locked volume of 415 bps
- Held refinance recapture to 55%

Second Quarter Summary

($ amounts in millions, except per share amounts)	2Q'21	2Q'20	%Δ	YTD'21	YTD'20	%Δ
Total in-house originations	**$8,173.2**	$8,814.6	(7)%	**$17,941.2**	$14,558.9	23%
Gain on sale margin on originations (bps)	**405**	560	(28)%	**433**	504	(14)%
Gain on sale margin on pull-through adjusted locked volume	**415**	494	(16)%	**454**	407	12%
UPB of servicing portfolio (period end)	**$65,670.3**	$52,794.3	24%	**$65,670.3**	$52,794.3	24%
Net revenue	**$294.1**	$435.1	(32)%	**$820.3**	$605.3	36%
Total expenses	**$280.2**	$271.5	3%	**$592.8**	$458.8	29%
Net income	**$8.9**	$123.0	(93)%	**$169.5**	$110.0	54%
Return on equity	**4.1%**	110.7%	(96)%	**42.8%**	48.2%	(11)%
Adjusted net income	**$52.0**	$179.5	(71)%	**$158.7**	$237.4	(33)%
Adjusted EBITDA	**$74.9**	$243.5	(69)%	**$219.2**	$325.5	(33)%
Adjusted return on equity	**23.8%**	161.5%	(85)%	**40.1%**	104.1%	(62)%
Earnings per share	**$0.15**	(*)	(*)	**$2.83**	(*)	(*)
Diluted earnings per share	**$0.15**	(*)	(*)	**$2.81**	(*)	(*)
Adjusted earnings per share	**$0.87**	(*)	(*)	**$2.64**	(*)	(*)

(*) The Company does not have a calculated earnings per share for prior periods due to the fact the Company's stock was not publicly traded prior to the fourth quarter of 2020.

Second Quarter Origination Segment Results

Origination segment net income declined to $78.8 million from $254.6 million driven primarily by the decline in gain on sale and origination volume. Gain on sale margins on originations declined approximately 28% year-over-year to 405 bps. Gain on sale margins on pull-through adjusted locked volume decreased 16% year-over-year to 415 bps. Total pull-through adjusted locked volume in the second quarter was $8.0 billion. The segment's expenses increased 5% to $254.1 million compared to $241.3 million in the prior-year quarter primarily due to an increase in salaries, incentive compensation and benefits expenses paid to our origination teams and our hiring of additional employees throughout 2020 to support the increase in our origination volume.

($ amounts in millions)	2Q'21	2Q'20	%Δ	YTD'21	YTD'20	%Δ
Total in-house originations	**$8,173.2**	$8,814.6	(7)%	**$17,941.2**	$14,558.9	23%
In-house originations # (000's)	**27**	31	(13)%	**62**	52	19%
Net revenue	**$332.8**	$495.9	(33)%	**$780.5**	$736.9	6%
Total expenses	**$254.1**	$241.3	5%	**$541.6**	$413.5	31%
Net income allocated to origination	**$78.8**	$254.6	(69)%	**$238.9**	$323.5	(26)%

Second Quarter Servicing Segment Results

Net loss attributed to the servicing segment was $48.9 million compared to $68.6 million in the prior year. The Company's in-house servicing portfolio grew 24% year-over-year to $65.7 billion, with loan servicing and other fees growing 26% to $47.7 million. Guild retained servicing rights of 92% for total loans sold in the second quarter of 2021.

Net revenue totaled negative $37.2 million compared to negative $59.3 million in the prior-year quarter due to adjustments to the fair value of the Company's Mortgage Servicing Rights, which declined to $84.8 million in the second quarter 2021, compared to a decrease of $96.2 million in the prior year. Guild recaptured 55% of refinance volumes as new originations, which aligns with the Company's symbiotic business model. Servicing expenses were up 26% year-over-year driven by increased salaries, incentive compensation and benefits expenses due to hiring of additional employees throughout 2020 to support the growth in servicing volume and those clients electing to accept forbearance relief under the CARES Act.

As of June 30, 2021, approximately 2.1% of the loans in the Company's servicing portfolio had elected the forbearance option compared to the industry average of 3.9%, as reported by the Mortgage Bankers Association.

($ amounts in millions)	2Q'21	2Q'20	%Δ	YTD'21	YTD'20	%Δ
UPB of servicing portfolio (period end)	**$65,670.3**	$52,794.3	24%	**$65,670.3**	$52,794.3	24%
# Loans serviced (000's) (period end)	**287**	249	15%	287	249	15%
Loan servicing and other fees	**$47.7**	$37.8	26%	**$92.9**	$76.3	22%
Valuation adjustment of MSRs	**($84.8)**	($96.2)	12%	**($49.0)**	($204.8)	76%
Net revenue	**($37.2)**	($59.3)	(37)%	**$42.7**	($128.3)	133%
Total expenses	**$11.7**	$9.3	26%	**$24.5**	$19.6	25%
Net income (loss) allocated to servicing	**($48.9)**	($68.6)	29%	**$18.2**	($147.9)	112%

Balance Sheet and Liquidity Highlights

The Company's operating cash position was $322.0 million at June 30, 2021. The Company's unutilized loan funding capacity represented $1.2 billion, while the unutilized Mortgage Servicing Rights line of credit was $149.6 million, based on total committed amounts and our borrowing base limitations.

(in millions)	June 30, 2021	December 31, 2020
Cash and cash equivalents	$322.0	$334.6
Mortgage servicing rights, net	$578.7	$447.0
Warehouse lines of credit	$1,883.7	$2,143.4
Notes payable	$165.0	$145.8
Total stockholders' equity	$848.6	$736.0

Subsequent Event

On July 1, 2021 the Company closed on its acquisition of Residential Mortgage Services, Inc. ("RMS"). RMS is a fast-growing retail originator focused in the Northeast and extends Guild's presence into new geographies and provides additional opportunities for growth as Guild builds market share across the United States. RMS' retail, purchase market strengths align well with Guild's core competencies.

Webcast and Conference Call

The Company will host a webcast and conference call on Wednesday, August 11, 2021 at 5 p.m. Eastern Time to discuss the Company's results for the second quarter ended June 30, 2021.

The conference call will be available on the Company's website at https://ir.guildmortgage.com/. To listen to a live broadcast, go to the site at least 15 minutes prior to the scheduled start time in order to register. The conference call can also be accessed by the following dial-in information:

- 1-855-327-6837 (Domestic)
- 1-631-891-4304 (International)

A replay of the call will be available on the Company's website approximately two hours after the live call through August 25, 2021 on the investors section of the Company's website at https://ir.guildmortgage.com/. The replay is also available by dialing 1-844-512-2921 (United States) or 1-412-317-6671 (international). The replay pin number is 10015729.

About Guild Holdings Company

Guild is a growth-oriented mortgage company that employs a relationship-based loan sourcing strategy to execute on its mission of delivering the promise of homeownership in neighborhoods and communities across the United States. Guild was established in 1960 and has expanded its retail origination operation to now serve homebuyers in 32 states.

Contacts

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Forward-Looking Statements

This press release contains forward-looking statements. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as "may," "should," "could," "predict," "potential," "believe," "will likely result," "expect," "continue," "will," "anticipate," "seek," "estimate," "intend," "plan," "projection," "would" and "outlook," or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts and are based on current expectations, estimates and projections about our industry, management's beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

Important factors that could cause our actual results to differ materially from those indicated in these forward-looking statements include, but are not limited to, the following: any changes in macro-economic conditions and in U.S. residential real estate market conditions, including changes in prevailing interest rates or monetary policies and the effects of the ongoing COVID-19 pandemic; any disruptions in the secondary home loan market and their effects on our ability to sell the loans that we originate; any changes in certain U.S. government-sponsored entities and government agencies, including Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, Government National Mortgage Association, the Federal Housing Administration, the United States Department of Agriculture Rural Development and the United States Department of Veteran's Affairs, or their current roles; the effects of any termination of our servicing rights; the effects of our existing and future indebtedness on our liquidity and our ability to operate our business; any failure to maintain and improve the technological infrastructure that supports our origination and servicing platform; any failure to maintain or grow our historical referral relationships with our referral partners; any failure to continue the historical levels of growth in our market share in the mortgage origination and servicing industry; any decline in our ability to recapture loans from borrowers who refinance; our inability to attract, integrate and retain qualified personnel; our failure to identify, develop and integrate acquisitions of other companies or technologies, or any diversion of our management's attention due to the foregoing, including risks related to our recent acquisition of Residential Mortgage Services, Inc.; inaccuracies in the estimates of the fair value of the substantial portion of our assets that are measured on that basis (including our mortgage servicing rights, or "MSRs"); the failure of the internal models that we use to manage risk and make business decisions to produce reliable or accurate results; the costs of potential litigation and claims; the degree of business and financial risk associated with certain of our loans; any cybersecurity breaches or other attacks involving our computer systems or those of our third-party service providers; any changes in applicable technology and consumer outreach techniques; our inability to secure additional capital, if needed, to operate and grow our business; the impact of operational risks, including employee or consumer fraud, the obligation to repurchase sold loans in the event of a documentation error, and data processing system failures and errors; any repurchase or indemnification obligations caused by the failure of the loans that we originate to meet certain criteria or characteristics; the seasonality of the mortgage origination industry; any failure to protect our brand and reputation; the risks associated with adverse weather conditions and man-made or natural events; our exposure to additional income tax liabilities and changes in tax laws, or disagreements with the Internal Revenue Service regarding our tax positions; any failure to adequately protect our intellectual property and the costs of any potential intellectual property disputes; any non-compliance with the complex laws and regulations governing our industry and the related costs associated with maintaining and monitoring compliance; any changes in the laws and regulations governing our industry that would require us to change our business practices, raise compliance costs or other costs of doing business; our control by, and any conflicts of interest with, McCarthy Capital Mortgage Investors, LLC; the significant influence on our business that members of our board and management team are able to exercise as stockholders; our dependence, as a holding company, upon distributions from Guild Mortgage Co. to meet our obligations; the risks related to our becoming a public company; the risks related to our status as a "controlled company"; the risks related to our Class A common stock and our dual class common stock structure; and the other risks, uncertainties and factors set forth under Item IA. – Risk Factors and all other disclosures appearing in Guild's Annual Report on Form 10-K for the year ended December 31, 2020, as well as other documents Guild files from time to time with the Securities and Exchange Commission.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this press release. If one or more events related to these or other risks or uncertainties materialize, or if our underlying assumptions prove to be incorrect, actual results may differ materially from what we anticipate. Many of the important factors that will determine these results are beyond our ability to control or predict. Accordingly, you should not place undue reliance on any such forward-looking statements. Any forward-looking statement speaks only as of the date on which it is made, and, except as otherwise required by law, we do not undertake any obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments or otherwise. New factors emerge from time to time, and it is not possible for us to predict which will arise. In addition, we cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Non-GAAP Financial Measures

We disclose certain financial measures for our consolidated and operating segment results on both a GAAP and a non-GAAP (adjusted) basis. The non-GAAP financial measures disclosed should be viewed in addition to, and not as an alternative to, results prepared in accordance with GAAP. Our use of each of the following non-GAAP financial measures may differ from similarly titled non-GAAP financial measures presented by other companies, and other companies may not define these non-GAAP financial measures, or reconcile them to the comparable GAAP financial measures, in the same way.

Adjusted Net Income. We define Adjusted Net Income as earnings before the change in the fair value measurements related to our MSRs, contingent liabilities related to completed acquisitions due to changes in valuation assumptions and stock-based compensation. The fair value of our MSRs is estimated based on a projection of expected future cash flows and the fair value of our contingent liabilities related to completed acquisitions is estimated based on a projection of expected future earn-out payments. Adjusted Net Income is also adjusted by applying an implied tax effect to these adjustments. The Company excludes the change in the fair value of its MSRs due to changes in model inputs and assumptions from Adjusted Net Income and Adjusted EBITDA because the Company believes this non-cash, non-realized adjustment to net revenue is not indicative of the Company's operating performance or results of operation but rather reflects changes in model inputs and assumptions (e.g., prepayment speed, discount rates and cost to service assumptions) that impact the carrying value of the Company's MSRs from period to period. The Company also excludes stock-based compensation because the Company believes it is a non-cash expense that is not reflective of its core operations or indicative of its ongoing operations.

Adjusted EBITDA. We define Adjusted EBITDA as earnings before interest (without adjustment for net warehouse interest related to loan fundings and payoff interest related to loan prepayments), taxes, depreciation and amortization exclusive of any change in the fair value measurements of the MSRs due to valuation assumptions, contingent liabilities from business acquisitions and stock-based compensation. The Company excludes the change in the fair value of its MSRs due to changes in model inputs and assumptions from Adjusted Net Income and Adjusted EBITDA because the Company believes this non-cash, non-realized adjustment to net revenue is not indicative of the Company's operating performance or results of operation but rather reflects changes in model inputs and assumptions (e.g., discount rates and prepayment speed assumptions) that impact the carrying value of the Company's MSRs from period to period. The Company also excludes stock-based compensation because the Company believes it is a non-cash expense that is not reflective of its core operations or indicative of its ongoing operations.

Adjusted Return on Equity. We define Adjusted Return on Equity as Adjusted Net Income as a percentage of average beginning and ending stockholders' equity during the period. For periods of less than one year, Adjusted Return on Equity is shown on an annualized basis.

We use these non-GAAP financial measures to evaluate our operating performance, to establish budgets and to develop operational goals for managing our business. These non-GAAP financial measures are designed to evaluate operating results exclusive of fair value adjustments that are not indicative of management's operating performance. Accordingly, we believe that these financial measures provide useful information to investors and others in understanding and evaluating our operating results, enhancing the overall understanding of our past performance and future prospects.

Our non-GAAP financial measures are not prepared in accordance with GAAP and should not be considered in isolation of, or as an alternative to, measures prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures rather than net income (loss), which is the most directly comparable financial measure calculated and presented in accordance with GAAP for Adjusted Net Income and Adjusted EBITDA, and return on equity, which is the most directly comparable financial measure calculated and presented in accordance with GAAP for Adjusted Return on Equity. These limitations include that these non-GAAP financial measures are not based on a comprehensive set of accounting rules or principles and many of the adjustments to the GAAP financial measures reflect the exclusion of items that are recurring and may be reflected in the Company's financial results for the foreseeable future. In addition, other companies may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison.

For more information on these non-GAAP financial measures, please see the "GAAP to Non-GAAP Reconciliations" included at the end of this release.

Condensed Consolidated Balance Sheets (unaudited)

(in thousands, except share and per share amounts)	June 30, 2021	December 31, 2020
Assets		
Cash and cash equivalents	$ 322,005	$ 334,623
Restricted cash	4,511	5,010
Mortgage loans held for sale	2,153,990	2,368,777
Ginnie Mae loans subject to repurchase right	1,037,266	1,275,842
Accounts and interest receivable	41,256	43,390
Derivative asset	47,893	130,338
Mortgage servicing rights, net	578,690	446,998
Goodwill	62,834	62,834
Other assets	144,931	150,275
Total assets	$ 4,393,376	$ 4,818,087
Liabilities and stockholders' equity		
Warehouse lines of credit	$ 1,883,665	$ 2,143,443
Notes payable	165,000	145,750
Ginnie Mae loans subject to repurchase right	1,037,640	1,277,026
Accounts payable and accrued expenses	45,329	41,074
Accrued compensation and benefits	68,691	106,313
Investor reserves	16,827	14,535
Income taxes payable	8,717	19,454
Contingent liabilities due to acquisitions	20,416	18,094
Derivative liability	4,430	38,270
Operating lease liabilities	88,816	94,891
Note due to related party	3,634	4,639
Deferred compensation plan	98,528	89,236
Deferred tax liability	103,060	89,370
Total liabilities	3,544,753	4,082,095
Commitments and contingencies		
Stockholders' equity		
Preferred stock, $0.01 par value; 50,000,000 shares authorized; no shares issued and outstanding	—	—
Class A common stock, $0.01 par value; 250,000,000 shares authorized; 19,666,981 shares issued and outstanding at June 30, 2021 and December 31, 2020	197	197
Class B common stock, $0.01 par value; 100,000,000 shares authorized; 40,333,019 shares issued and outstanding at June 30, 2021 and December 31, 2020	403	403
Additional paid-in capital	22,571	18,035
Retained earnings	825,452	717,357
Total stockholders' equity	848,623	735,992
Total liabilities and stockholders' equity	$ 4,393,376	$ 4,818,087

Condensed Consolidated Statements of Income (unaudited)

(in thousands, except per share amounts)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Revenue				
Loan origination fees and gain on sale of loans, net	$ 330,759	$ 493,432	$ 777,347	$ 733,293
Loan servicing and other fees	47,652	37,778	92,851	76,310
Valuation adjustment of mortgage servicing rights	(84,789)	(96,161)	(49,046)	(204,810)
Interest income	14,635	13,948	29,734	26,949
Interest expense	(14,209)	(14,508)	(30,720)	(27,442)
Other income, net	61	608	130	997
Net revenue	294,109	435,097	820,296	605,297
Expenses				
Salaries, incentive compensation and benefits	232,563	229,885	499,287	377,898
General and administrative	31,794	25,967	58,701	48,192
Occupancy, equipment and communication	14,662	13,882	29,494	27,200
Depreciation and amortization	1,608	1,806	3,262	3,693
Provision for foreclosure losses	(442)	(64)	2,019	1,860
Total expenses	280,185	271,476	592,763	458,843
Income before income tax expense	13,924	163,621	227,533	146,454
Income tax expense	4,986	40,646	57,991	36,465
Net income	$ 8,938	$ 122,975	$ 169,542	$ 109,989
Net income per share attributable to Class A and Class B Common Stock:				
Basic	$ 0.15		$ 2.83	
Diluted	$ 0.15		$ 2.81	
Weighted average shares outstanding of Class A and Class B Common Stock:				
Basic	60,000		60,000	
Diluted	60,260		60,234	

Key Performance Indicators

Management reviews several key performance indicators to evaluate our business results, measure our performance and identify trends to inform our business decisions. Summary data for these key performance indicators is listed below.

($ and units in thousands)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Origination Data				
$ Total in-house origination[1]	$ 8,173,153	$ 8,814,629	$ 17,941,190	$ 14,558,875
# Total in-house origination	27	31	62	52
$ Retail in-house origination	7,939,469	8,640,411	17,424,164	14,186,728
# Retail in-house origination	27	30	60	50
$ Retail brokered origination[2]	19,356	15,363	32,671	42,423
Total originations	$ 8,192,509	$ 8,829,992	$ 17,973,861	$ 14,601,298
Gain on sale margin (bps)[3]	405	560	433	504
Pull-through adjusted locked volume[4]	7,964,709	9,986,032	17,120,941	18,031,349
Gain on sale margin on pull-through adjusted locked volume (bps)(5)	415	494	454	407
Refinance recapture rate[6]	55 %	64 %	64 %	67 %
Purchase origination %	59 %	42 %	47 %	45 %
Servicing Data				
UPB (period end)[7]	$ 65,670,291	$ 52,794,328	$ 65,670,291	$ 52,794,328

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(1) Includes retail and correspondent loans and excludes brokered loans.

(2) Brokered loans are defined as loans we originate in the retail channel that are processed by us but underwritten and closed by another lender. These loans are typically for products we choose not to offer in-house.

(3) Represents loan origination fees and gain on sale of loans, net divided by total in-house origination to derive basis points.

(4) Pull-through adjusted locked volume is equal to total locked volume multiplied by pull-through rates of 90.7% and 87.2% as of June 30, 2021 and 2020, respectively. We estimate the pull-through rate based on changes in pricing and actual borrower behavior using a historical analysis of loan closing data and "fallout" data with respect to the number of commitments that have historically remained unexercised.

(5) Represents loan origination fees and gain on sale of loans, net divided by pull-through adjusted locked volume.

(6) Refinance recapture rate is calculated as the total UPB of our clients that originated a new mortgage with us to refinance an existing mortgage in a given period, divided by the total UPB of our clients that paid off their existing mortgage and originated a new mortgage in the same period.

(7) Excludes subserviced portfolio of $0.6 billion and $1.1 billion as of June 30, 2021 and 2020, respectively.

GAAP to Non-GAAP Reconciliations

Reconciliation of Net Income to Adjusted Net Income (unaudited)

(in millions, except per share amounts)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Net income	$ 8.9	$ 123.0	$ 169.5	$ 110.0
Add adjustments:				
Change in fair value of MSRs due to model inputs and assumption	49.8	64.9	(30.8)	151.1
Change in fair value of contingent liabilities due to acquisitions	6.5	11.0	13.1	20.0
Stock-based compensation	1.5	—	3.1	—
Tax impact of adjustments(1)	(14.7)	(19.4)	3.7	(43.7)
Adjusted Net Income	$ 52.0	$ 179.5	$ 158.7	$ 237.4
Weighted average shares outstanding of Class A and Class B Common Stock	60		60	
Earnings per share	$ 0.15		$ 2.83	
Adjusted earnings per share(2)	$ 0.87		$ 2.64	

Amounts may not foot due to rounding.

(1) Implied tax rate used was 25.5%.

(2) We define adjusted earnings per share as our adjusted net income divided by the basic weighted average shares outstanding of Class A and Class B common stock.

Reconciliation of Net Income to Adjusted EBITDA (unaudited)

(in millions)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Net income	$ 8.9	$ 123.0	$ 169.5	$ 110.0
Add adjustments:				
Interest expense on non-funding debt	1.6	2.1	3.0	4.3
Income tax expense	5.0	40.6	58.0	36.5
Depreciation and amortization	1.6	1.8	3.3	3.7
Change in fair value of MSRs due to model inputs and assumptions	49.8	64.9	(30.8)	151.1
Change in fair value of contingent liabilities due to acquisitions	6.5	11.0	13.1	20.0
Stock-based compensation	1.5	—	3.1	—
Adjusted EBITDA	$ 74.9	$ 243.5	$ 219.2	$ 325.6

Reconciliation of Return on Equity to Adjusted Return on Equity (unaudited)

(in millions)	Three Months Ended June 30, 2021	Three Months Ended June 30, 2020	Six Months Ended June 30, 2021	Six Months Ended June 30, 2020
Numerator: Adjusted Net Income	$ 52.0	$ 179.5	$ 158.7	$ 237.4
Denominator: Average stockholders' equity	873.4	444.5	792.3	456.0
Adjusted Return on Equity	23.8 %	161.5 %	40.1 %	104.1 %
Return on Equity	4.1 %	110.7 %	42.8 %	48.2 %