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): May 8, 2023

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 May 8, 2023, Guild Holdings Company, issued a press release announcing its financial results for the first quarter ended March 31, 2023. 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 May 8, 2023
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: May 8, 2023

By: /s/ Desiree A. Kramer

Desiree A. Kramer
Chief Financial Officer

Exhibit 99.1

GUILD HOLDINGS COMPANY REPORTS FIRST QUARTER 2023 RESULTS

- **Originations of $2.7 Billion**
- **Net Revenue of $103.9 Million**
- **Net Loss of $37.2 Million**
- **Adjusted Net Loss of $2.5 Million**
- **Return on Equity of (12.1)% and Adjusted ROE of (0.8)%**
- **Gain on Sale Margin on Originations of 343 bps**
- **Purchase Recapture Rate of 24%**
- **Completed Acquisition Subsequent to Quarter-End Which Expanded Presence Across 45 States and Expanded Reverse Mortgage Division**

SAN DIEGO, California - May 8, 2023 – 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 first quarter ended March 31, 2023.

"Our first quarter results came in largely as expected as the mortgage industry continues to face pressure from higher interest rates and limited home inventory," stated Mary Ann McGarry, Chief Executive Officer. "However, Guild's differentiated strategy has allowed us to gain market share and, we believe, position us for accelerated growth as demand returns. In particular, we're seeing the benefits of our focus on the purchase mortgage market, our new products to meet the evolving needs of buyers, and our network of loan officers with deep relationships. With our recent acquisitions we are further building our foundation to drive growth, and we anticipate gaining additional market share as the acquisitions are fully integrated and continue to ramp. In addition to the acquisitions expanding our retail footprint, they have extended our product capabilities including a reverse mortgage product which will further strengthen our offerings and help us to serve more borrowers nationwide. Furthermore, we're maintaining a solid balance sheet and liquidity position, and will continue to seek selective opportunities to invest and best position Guild as the market normalizes. Looking ahead, we anticipate continued pressure in the near term, but expect some pickup in mortgage activity as we enter the traditional home sales season."

First Quarter 2023 Highlights	Total in-house originations of $2.7 billion compared to $3.0 billion in the prior quarter
	Originated 92% of closed loan origination volume from purchase business, compared to the Mortgage Bankers Association estimate of 80%
	Net revenue of $103.9 million compared to $134.3 million in the prior quarter
	Net loss of $37.2 million compared to $15.0 million in the prior quarter
	Servicing portfolio unpaid principal balance of $79.9 billion as of March 31, 2023, up 1.3% compared to $78.9 billion as of December 31, 2022
	Adjusted net loss and Adjusted EBITDA totaled $2.5 million and $1.1 million, respectively, compared to adjusted net loss and adjusted EBITDA of $0.1 million and $1.9 million, respectively, in the prior quarter
	Return on equity of (12.1)% and adjusted return on equity of (0.8)%, compared to (4.8)% and 0.0%, respectively, in the prior quarter

First Quarter Summary

Please refer to "Key Performance Indicators" and "GAAP to Non-GAAP Reconciliations" elsewhere in this release for a description of the key performance indicators and definitions of the non-GAAP measures and reconciliations to the nearest comparable financial measures calculated and presented in accordance with accounting principles generally accepted in the United States of America ("GAAP").

($ amounts in millions, except per share amounts)		1Q'23		4Q'22	%Δ
Total in-house originations	**$**	**2,701.4**	$	2,975.9	(9)%
Gain on sale margin on originations (bps)		**343**		331	4%
Gain on sale margin on pull-through adjusted locked volume (bps)		**284**		351	(19)%
UPB of servicing portfolio (period end)	**$**	**79,916.6**	$	78,893.0	1%
Net revenue	**$**	**103.9**	$	134.3	(23)%
Total expenses	**$**	**154.7**	$	157.5	(2)%
Net loss	**$**	**(37.2)**	$	(15.0)	148%
Return on equity		**(12.1)%**		(4.8)%	153%
Adjusted net loss	**$**	**(2.5)**	$	(0.1)	NM
Adjusted EBITDA	**$**	**1.1**	$	1.9	(41)%
Adjusted return on equity		**(0.8)%**		—%	NM
Loss per share	**$**	**(0.61)**	$	(0.25)	148%
Diluted loss per share	**$**	**(0.61)**	$	(0.25)	148%
Adjusted loss per share	**$**	**(0.04)**	$	—	NM

Origination Segment Results

Origination segment net loss was $32.8 million in the first quarter compared to net loss of $26.6 million in the prior quarter primarily driven by lower origination volumes as a result of higher interest rates. Gain on sale margins on originations increased 12 bps quarter-over-quarter to 343 bps. Gain on sale margins on pull-through adjusted locked volume decreased 67 bps quarter-over-quarter to 284 bps and total pull-through adjusted locked volume was $3.3 billion compared to $2.8 billion in the prior quarter. The increase in pull-through adjusted volume, up 21% over originations, creates a negative timing impact for gain on sale on pull-through adjusted volume and is not indicative of future expected gain on sale margins.

($ amounts in millions)		1Q'23		4Q'22	%Δ
Total in-house originations	**$**	**2,701.4**	$	2,975.9	(9)%
In-house originations # (000's)		**9**		9	—%
Net revenue	**$**	**93.6**	$	101.5	(8)%
Total expenses	**$**	**126.3**	$	128.0	(1)%
Net loss allocated to origination	**$**	**(32.8)**	$	(26.6)	23%

Servicing Segment Results

Servicing segment net loss was $0.3 million in the first quarter compared to net income of $21.5 million in the prior quarter. The Company retained mortgage servicing rights ("MSRs") for 87% of total loans sold in the first quarter of 2023.

Net revenue totaled $13.1 million compared to $34.8 million in the prior quarter primarily due to adjustments to the fair value of the Company's MSRs. In the first quarter of 2023, fair value adjustments with respect to the Company's MSRs totaled a loss of $54.9 million, compared to $29.9 million in the prior quarter. Guild's purchase recapture rate was 24% in the first quarter of 2023, which reinforces the Company's focus on customer service and synergistic business model.

($ amounts in millions)		1Q'23	4Q'22	%Δ
UPB of servicing portfolio (period end)	**$**	**79,916.6**	$ 78,893.0	1%
# Loans serviced (000's) (period end)		**328**	324	1%
Loan servicing and other fees	**$**	**60.1**	$ 58.0	4%
Valuation adjustment of MSRs	**$**	**(54.9)**	$ (29.9)	84%
Net revenue	**$**	**13.1**	$ 34.8	(62)%
Total expenses	**$**	**13.4**	$ 13.3	1%
Net (loss) income allocated to servicing	**$**	**(0.3)**	$ 21.5	(101)%

Share Repurchase Program

During the three months ended March 31, 2023, the Company repurchased and subsequently retired 50,166 shares of Guild's Class A common stock at an average purchase price of $11.26 per share. As of March 31, 2023, $13.9 million remained available for repurchase under the Company's share repurchase program.

Balance Sheet and Liquidity Highlights

The Company's operating cash position was $147.8 million as of March 31, 2023. The Company's unutilized loan funding capacity was $1.2 billion, while the unutilized MSR lines of credit was $205.0 million, based on total committed amounts and borrowing base limitations. The Company's leverage ratio was 0.9x, defined as total secured debt including funding divided by tangible stockholders' equity.

(in millions)		March 31, 2023		December 31, 2022
Cash and cash equivalents	$	147.8	$	137.9
Mortgage servicing rights, net	$	1,112.2	$	1,139.5
Warehouse lines of credit	$	762.1	$	713.2
Notes payable	$	130.0	$	126.3
Total stockholders' equity	$	1,213.3	$	1,249.3

Webcast and Conference Call

The Company will host a webcast and conference call on Monday, May 8, 2023 at 5:00 p.m. Eastern Time to discuss the Company's results for the first quarter ended March 31, 2023.

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 to register. The conference call can also be accessed by the following dial-in information:

- 1-877-300-8521 (Domestic)
- 1-412-317-6026 (International)

A replay of the call will be available on the Company's website at https://ir.guildmortgage.com/ approximately two hours after the live call through May 22, 2023. The replay is also available by dialing 1-844-512-2921 (United States) or 1-412-317-6671 (international). The replay pin number is 10176707.

About Guild Holdings Company

Founded in 1960 when the modern U.S. mortgage industry was just forming, Guild Holdings Company is a nationally recognized independent mortgage lender providing residential mortgage products and local in-house origination and servicing. Guild's collaborative culture and commitment to diversity and inclusion enable it to deliver a personalized experience for each customer. With more than 4,000 employees and over 270 retail branches, Guild has relationships with credit unions, community banks, and other financial institutions and services loans in 49 states and the District of Columbia. Guild's highly trained loan professionals are experienced in government-sponsored programs such as FHA, VA, USDA, down payment assistance programs and other specialized loan programs. Its shares of Class A common stock trade on the New York Stock Exchange under the symbol GHLD.

Contacts

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Forward-Looking Statements

This press release contains forward-looking statements, including statements about the Company's expectations for gaining market share, ability to capitalize on M&A opportunities, expectations for increased home sales and mortgage activity, and ability to continue to repurchase shares of the Company's Class A common stock pursuant to its share repurchase program. 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 disruptions in the secondary home loan market and their effects on our ability to sell the loans that we originate; any changes in macroeconomic and U.S. residential real estate market conditions; any changes in certain U.S. government-sponsored entities and government agencies, and any organizational or pricing changes in these entities, their guidelines or their current roles; any changes in prevailing interest rates or U.S. monetary policies; 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 disruption in the technology that supports our origination and servicing platform; our failure to identify, develop and integrate acquisitions of other companies or technologies; the effects of the ongoing COVID-19 pandemic; pressure from existing and new competitors; any failure to maintain or grow our historical referral relationships with our referral partners; any delays in recovering service advances; inaccuracies in the estimates of the fair value of the substantial portion of our assets that are measured on that basis (including our MSRs); any failure to adapt to and implement technological changes; the failure of the internal models that we use to manage risk and make business decisions to produce reliable or accurate results; the degree of business and financial risk associated with certain of our loans; any cybersecurity breaches or other vulnerability involving our computer systems or those of certain of our third-party service providers; 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; any non-compliance with the complex laws and regulations governing our mortgage loan origination and servicing activities; material changes to the laws, regulations or practices applicable to reverse mortgage programs; our control by, and any conflicts of interest with, McCarthy Capital Mortgage Investors, LLC; the risks related to our status as a "controlled company"; 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 Company LLC to meet our obligations; the risks related to the trading market of our Class A common stock due to our dual class common stock structure; our ability to complete repurchases under the share repurchase program in the amount authorized or at all and the impact of the share repurchase program on our business and financial condition; the identification of material weaknesses in our internal control over financial reporting; 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, 2022, 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 undertake no obligation to update any forward-looking statement made in this press release to reflect events or circumstances after the date of this press release or to reflect new information or the occurrence of unanticipated events. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements.

Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures, or investments we may make.

Non-GAAP Financial Measures

To supplement our financial statements presented in accordance with GAAP and to provide investors with additional information regarding our GAAP financial results, 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. These non-GAAP financial measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similarly titled measures presented by other companies.

Adjusted Net Income (Loss). We define Adjusted Net Income (Loss) as earnings attributable to Guild before the change in the fair value measurements related to our MSRs, contingent liabilities related to completed acquisitions due to changes in valuation assumptions, amortization of acquired intangible assets and stock-based compensation. We exclude these items because we believe they are non-cash expenses that are not reflective of our core operations or indicative of our ongoing operations. Adjusted Net Income (Loss) is also adjusted by applying an estimated effective tax rate to these adjustments. In addition we exclude the change in the fair value of MSRs due to changes in model inputs and assumptions from Adjusted Net Income (Loss) and Adjusted EBITDA below because we believe this non-cash, non-realized adjustment to net revenues is not indicative of our operating performance or results of operations but rather reflects changes in model inputs and assumptions (e.g., prepayment speed, discount rate and cost to service assumptions) that impact the carrying value of our MSRs from period to period.

Adjusted Earnings Per Share. We define Adjusted Earnings Per Share as our adjusted net income divided by the basic weighted average shares outstanding of our Class A and Class B common stock.

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 and net income attributable to the non-controlling interest 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. We exclude these items because we believe they are non-cash expenses that are not reflective of our core operations or indicative of our ongoing operations.

Adjusted Return on Equity. We define Adjusted Return on Equity as annualized Adjusted Net Income as a percentage of average beginning and ending stockholders' equity during the period.

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 our 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)	March 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	$ 147,783	$ 137,891
Restricted cash	6,237	8,863
Mortgage loans held for sale	858,314	845,775
Ginnie Mae loans subject to repurchase right	591,993	650,179
Accounts, notes and interest receivable	62,166	58,304
Derivative assets	12,206	3,120
Mortgage servicing rights, net	1,112,161	1,139,539
Intangible assets, net	31,088	33,075
Goodwill	182,150	176,769
Other assets	177,422	186,076
Total assets	$ 3,181,520	$ 3,239,591
Liabilities and stockholders' equity		
Warehouse lines of credit	$ 762,062	$ 713,151
Notes payable	130,000	126,250
Ginnie Mae loans subject to repurchase right	592,234	650,179
Accounts payable and accrued expenses	36,579	34,095
Accrued compensation and benefits	25,913	29,597
Investor reserves	16,671	16,094
Contingent liabilities due to acquisitions	2,218	526
Derivative liabilities	8,206	5,173
Operating lease liabilities	81,897	85,977
Note due to related party	—	530
Deferred compensation plan	92,697	95,769
Deferred tax liabilities	219,764	232,963
Total liabilities	1,968,241	1,990,304
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; 20,533,160 and 20,583,130 shares issued and outstanding at March 31, 2023 and December 31, 2022, respectively	205	206
Class B common stock, $0.01 par value; 100,000,000 shares authorized; 40,333,019 shares issued and outstanding at March 31, 2023 and December 31, 2022	403	403
Additional paid-in capital	43,915	42,727
Retained earnings	1,168,695	1,205,885
Non-controlling interest	61	66
Total stockholders' equity	1,213,279	1,249,287
Total liabilities and stockholders' equity	$ 3,181,520	$ 3,239,591

Condensed Consolidated Statements of Income (unaudited)

	Three Months Ended	
(in thousands, except per share amounts)	**Mar 31, 2023**	**Dec 31, 2022**
Revenue		
Loan origination fees and gain on sale of loans, net	$ 92,651	$ 98,445
Loan servicing and other fees	60,087	57,984
Valuation adjustment of mortgage servicing rights	(54,871)	(29,888)
Interest income	18,245	20,483
Interest expense	(12,262)	(12,829)
Other income, net	35	107
Net revenue	103,885	134,302
Expenses		
Salaries, incentive compensation and benefits	111,120	116,292
General and administrative	20,883	17,932
Occupancy, equipment and communication	17,430	17,120
Depreciation and amortization	3,738	3,909
Provision for foreclosure losses	1,514	2,274
Total expenses	154,685	157,527
Loss before income tax benefit	(50,800)	(23,225)
Income tax benefit	(13,605)	(8,226)
Net loss	(37,195)	(14,999)
Net (loss) income attributable to non-controlling interest	(5)	7
Net loss attributable to Guild	$ (37,190)	$ (15,006)
Net loss per share attributable to Class A and Class B Common Stock:		
Basic	$ (0.61)	$ (0.25)
Diluted	$ (0.61)	$ (0.25)
Weighted average shares outstanding of Class A and Class B Common Stock:		
Basic	60,900	60,914
Diluted	60,900	60,914

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.

	Three Months Ended	
($ and units in thousands)	**Mar 31, 2023**	**Dec 31, 2022**
Origination Data		
$ Total in-house origination[1]	$ 2,701,426	$ 2,975,912
# Total in-house origination	9	9
$ Retail in-house origination	$ 2,558,801	$ 2,855,174
# Retail in-house origination	8	9
$ Retail brokered origination[2]	$ 41,704	$ 35,435
Total originations	$ 2,743,130	$ 3,011,347
Gain on sale margin (bps)[3]	343	331
Pull-through adjusted locked volume[4]	$ 3,258,998	$ 2,804,503
Gain on sale margin on pull-through adjusted locked volume (bps)[5]	284	351
Purchase recapture rate[6]	24%	25%
Refinance recapture rate[7]	30%	20%
Purchase origination %	92%	93%
Servicing Data		
UPB (period end)	$ 79,916,577	$ 78,892,987

(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 84.0% and 93.4% as of March 31, 2023 and December 31, 2022, 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. The decrease from the prior quarter is primarily due to reassessing our assumptions within the valuation model and is not indicative of a change in our operations.

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

(6) Purchase recapture rate is calculated as the ratio of (i) UPB of our clients that originated a new mortgage with us for the purchase of a home in a given period, to (ii) total UPB of our clients that paid off their existing mortgage as a result of selling their home in a given period.

(7) Refinance recapture rate is calculated as the ratio of (i) UPB of our clients that originated a new mortgage loan for the purpose of refinancing an existing mortgage with us in a given period, to (ii) total UPB of our clients that paid off their existing mortgage as a result of refinancing their home in the same period.

GAAP to Non-GAAP Reconciliations

Reconciliation of Net Loss to Adjusted Net Loss (unaudited)

(in millions, except per share amounts)	Three Months Ended Mar 31, 2023	Three Months Ended Dec 31, 2022
Net loss	$ (37.2)	$ (15.0)
Net (loss) income attributable to non-controlling interest[1]	—	—
Net loss attributable to Guild	$ (37.2)	$ (15.0)
Add adjustments:		
Change in fair value of MSRs due to model inputs and assumption	43.7	16.9
Change in fair value of contingent liabilities due to acquisitions	—	—
Amortization of acquired intangible assets	2.0	2.0
Stock-based compensation	1.8	2.4
Tax impact of adjustments[2]	(12.7)	(6.4)
Adjusted Net Loss	$ (2.5)	$ (0.1)
Weighted average shares outstanding of Class A and Class B Common Stock	61	61
Loss per share	$ (0.61)	$ (0.25)
Adjusted loss per share	$ (0.04)	$ —

Amounts may not foot due to rounding

(1) Net (loss) income attributable to non-controlling interest was $(5) thousand and $7 thousand for the three months ended March 31, 2023 and December 31, 2022, respectively.

(2) Estimated effective tax rate used was 26.8% and 35.4% for the three months ended March 31, 2023 and December 31, 2022, respectively.

Reconciliation of Net Loss to Adjusted EBITDA (unaudited)

(in millions)	Three Months Ended Mar 31, 2023	Three Months Ended Dec 31, 2022
Net loss	$ (37.2)	$ (15.0)
Add adjustments:		
Interest expense on non-funding debt	2.8	2.0
Income tax benefit	(13.6)	(8.2)
Depreciation and amortization	3.7	3.9
Change in fair value of MSRs due to model inputs and assumptions	43.7	16.9
Change in fair value of contingent liabilities due to acquisitions	—	—
Stock-based compensation	1.8	2.4
Adjusted EBITDA	$ 1.1	$ 1.9

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

($ in millions)	Three Months Ended Mar 31, 2023	Three Months Ended Dec 31, 2022
Income Statement Data:		
Net loss attributable to Guild	$ (37.2)	$ (15.0)
Adjusted net loss	$ (2.5)	$ (0.1)
Average stockholders' equity	$ 1,231.3	$ 1,257.4
Return on Equity	(12.1)%	(4.8)%
Adjusted Return on Equity	(0.8)%	—%