

Security National

Family of Companies



SecurityNational Mortgage Company Announces the Sale of Mortgage Servicing Rights

November 3, 2022

SALT LAKE CITY, Nov. 03, 2022 (GLOBE NEWSWIRE) -- SecurityNational Mortgage Company (the "Company"), a wholly owned subsidiary of Security National Financial Corporation (NASDAQ-SNFCA), announced the sale of substantially all of its mortgage servicing rights ("MSRs") to PNC Bank, NA ("PNC") for approximately \$89.7 million. The Company and PNC executed the purchase and sale agreement on October 31, 2022. The MSRs relate to mortgages with an aggregate unpaid principal balance of approximately \$7.05 billion that were previously originated by the Company.

Scott Quist, Chief Executive Officer and Chairman of the Board of Directors of Security National Financial Corporation, stated, "First, to be able to have such a strong and experienced counterparty as PNC Bank in the sale of our mortgage servicing Rights was a key factor in our decision to sell. We are fully confident in PNC Bank's ability to service the borrowers with promptness and integrity. Secondly, this sale simply represents an investment decision. Given the Company's current servicing structure, our costs to service the mortgages would be higher than others'. Based on fair market values, our historic realized annualized returns on our MSR investment were in the 4-5% range. We believe we can take the proceeds from this sale and reinvest them at considerably higher rates of return, thus improving our profitability. Thirdly, this sale gives greater liquidity to the Company, which we believe will allow us to take greater advantage of market opportunities in this environment of increasing interest rates. Lastly, this should not be interpreted as a strategic decision to never again retain servicing rights. We may continue to retain servicing rights in the future, as we have in the past, where we believe that the resell value is less than the inherent value of the servicing rights."

This press release contains statements that, if not verifiable historical fact, may be viewed as forward-looking statements that could predict future events or outcomes with respect to Security National Financial Corporation and its business. The predictions in these statements will involve risk and uncertainties and, accordingly, actual results may differ significantly from the results discussed or implied in such forward-looking statements.

For Further Information Contact: Garrett S. Sill or Andrew Quist

Security National Financial Corporation

P.O. Box 57250

Salt Lake City, Utah 84157

(Telephone) (801) 264-1060

(Fax) (801) 265-9882

Website: www.securitynational.com

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