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TEXAS CAPITAL BANK ANNOUNCES AGREEMENT TO SELL ITS MORTGAGE SERVICING RIGHTS ASSET TO PHH MORTGAGE

Reinforces Commitment to Mortgage Finance, Mortgage Warehouse and Specialty Lending

Next Step in Optimizing Balance Sheet and Enhancing Focus on Core Growth Drivers

DALLAS, April 21, 2021 -- Texas Capital Bank, N.A., referred to herein as “Texas Capital Bank” or the “Company,” today announced that it has entered into an agreement with PHH Mortgage (“PHH”), a subsidiary of Ocwen Financial Corporation (NYSE: OCN), under which PHH will purchase, in a bulk sale, the Company’s portfolio of Mortgage Servicing Rights (“MSRs”) attributable to a mortgage loan portfolio approximating \$14 billion. In a related Letter of Intent, PHH has also confirmed it will extend employment opportunities to many of the Company’s Correspondent Lending employees, and Texas Capital Bank has agreed to make best efforts to cooperate with PHH in transitioning its Correspondent Lending client base. The MSR sale and transition of employees and clients is expected to be completed in the second quarter of 2021, subject to customary closing conditions.

The transaction is consistent with Texas Capital Bank’s strategic objectives to increase capital flexibility and better align resources and investments to core, high-growth opportunities for long-term value creation. **Importantly, Texas Capital Bank is reinforcing its commitment to its Mortgage Finance, Mortgage Warehouse and Specialty Lending businesses, which will continue to be core to the Company’s go-forward strategy and is not expected to be impacted by this transaction. The Company expects to increase its investments to those lines of business and continue providing innovative mortgage solutions to its clients.**

Rob C. Holmes, President and Chief Executive Officer of Texas Capital Bank, said, “Today’s announcement represents another important step to optimize our balance sheet, implement enhanced discipline and mitigate risk across Texas Capital Bank. Over the last several weeks, we have been taking important actions to strengthen our financial position and hone our focus on our core growth drivers, including through this agreement with PHH, our recently announced Credit Risk Transfer transaction and our issuance of new preferred stock. We believe the transaction with PHH maximizes value for our Correspondent Lending and MSR assets while continuing to support those clients’ needs with a strong partner. As a result, Texas Capital Bank is expected to have additional capital resources to strategically deploy in support of our objectives to deliver enhanced services and solutions for our clients and drive more predictable, profitable results.”

Mr. Holmes continued, “Importantly, this announcement does not impact our commitment to our Mortgage Finance, Mortgage Warehouse or Specialty Lending businesses, which will continue to be core to our long-term strategy. I want to express my appreciation to all of our Correspondent Lending stakeholders, in particular our dedicated colleagues. Over the last five years, the team has helped to expand our capabilities and grow this division, and we are pleased PHH recognizes the talent of our experienced team. We are confident that PHH is the right partner to advance the business, and we look forward to working with them to ensure a smooth and successful transition for our Correspondent Lending clients and employees.”

Alston & Bird LLP and Simpson Thacher & Bartlett LLP acted as legal counsel to Texas Capital Bank.

About Texas Capital Bancshares, Inc.

Texas Capital Bancshares, Inc. (NASDAQ®: TCBI), a member of the Russell 2000® Index and the S&P MidCap 400®, is the parent company of Texas Capital Bank, a commercial bank that delivers highly personalized financial services to businesses and entrepreneurs. Headquartered in Dallas, the bank has full-service locations in Austin, Dallas, Fort Worth, Houston and San Antonio. Member FDIC.

Forward Looking Statements

This communication may be deemed to include “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 regarding our financial condition, results of operations, business plans and future performance of Texas Capital Bancshares, Inc. These statements are not historical in nature and can generally be identified by such words as “believe,” “expect,” “estimate,” “anticipate,” “plan,” “may,” “will,” “forecast,” “could,” “projects,” “intend” and similar expressions. Because forward-looking statements relate to future results and occurrences, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. A number of factors, many of which are beyond our control, could cause actual results to differ materially from future results expressed or implied by such forward-looking statements. These risks and uncertainties include, but are not limited to, the credit quality of our loan portfolio, general economic conditions in the United States and in our markets, including the continued impact on our customers from volatility in oil and gas prices, the material risks and uncertainties for the U.S. and world economies, and for our business, resulting from the COVID-19 pandemic, expectations regarding rates of default and loan losses, volatility in the mortgage industry, our business strategies, and our expectations about future financial performance, future growth and earnings, the appropriateness of our allowance for loan losses and provision for credit losses, the impact of changing regulatory requirements and legislative changes on our business, increased competition, interest rate risk, new lines of business, new product or service offerings and new technologies. These and other factors that could cause results to differ materially from those described in the forward-looking statements, as well as a discussion of the risks and uncertainties that may affect our business, can be found in our Annual Report on Form 10-K, our Quarterly Reports on Form 10-Q and in other filings we make with the Securities and Exchange Commission. The information contained in this communication speaks only as of its date. Except to the extent required by applicable law or regulation, Texas Capital Bancshares, Inc. disclaims any obligation to update such factors or to publicly announce the results of any revisions to any of the forward-looking statements included herein to reflect future events or developments.

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