

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 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): **December 9, 2024**

Ellington Credit Company

(Exact name of registrant specified in its charter)

Maryland
(State or Other Jurisdiction Of Incorporation)

001-35896
(Commission File Number)

46-0687599
(IRS Employer Identification No.)

53 Forest Avenue
Old Greenwich, CT 06870
(Address of principal executive offices, zip code)

Registrant's telephone number, including area code: **(203) 698-1200**

Not applicable

(Former name or former address, if changed since last report)

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(s)	Name of Each Exchange on Which Registered
Common Shares of Beneficial Interest, \$0.01 par value per share	EARN	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 1.01. Entry into a Material Definitive Agreement.

On December 9, 2024, Ellington Credit Company (the "Company") entered into a Subscription and Investment Representation Agreement (the "Subscription Agreement") with Ellington Credit Company Management LLC, the Company's external manager (the "Purchaser" or the "Manager"), pursuant to which the Company agreed to issue and sell one thousand (1,000) Series A Preferred Shares, par value \$0.01 per share (the "Series A Preferred Shares"), to the Purchaser for an aggregate purchase price of \$1,000 (the "Purchase Price"). The sale closed on December 9, 2024.

The Series A Preferred Shares were issued to the Purchaser in connection with the special meeting of the shareholders of the Company (the "Special Meeting"), which has been announced by the Board of Trustees (the "Board") for the purpose of allowing the Company to effectuate its conversion to a closed-end investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act") (a "registered closed-end fund"), that would be treated as a regulated investment company under the Internal Revenue Code of 1986, as amended. As disclosed in the preliminary proxy statement filed today with the Securities and Exchange Commission (the "SEC") in connection with the Special Meeting (the "Preliminary Proxy Statement"), the Purchaser only has the right to vote on the following items at the Special Meeting (such items, the "Conversion Proposals"):

- To approve a change in the Company's legal form from a Maryland real estate investment trust to a Delaware statutory trust;
- To approve the Company's proposed Delaware Amended and Restated Declaration of Trust; and
- To approve a 1940 Act-compliant investment advisory agreement with the Manager, which would replace the Company's existing management agreement with the Manager.

The Series A Preferred Shares would be automatically redeemed following the Company's shareholders approval of the Conversion Proposals at the Special Meeting. Additional information regarding the rights, preferences, privileges and restrictions applicable to the Series A Preferred Shares is contained in Item 5.03 of this Current Report on Form 8-K (this "Current Report") and is incorporated by reference herein. Additional information about the Special Meeting can be found in the Preliminary Proxy Statement filed with the SEC.

The Subscription Agreement contains customary representations and warranties and certain indemnification rights and obligations of the parties. The Subscription Agreement also provides that the Purchaser shall grant an irrevocable proxy to certain officers of the Company to vote the Series A Preferred Shares in accordance with the terms of the Subscription Agreement and the Articles Supplementary (as defined below).

The foregoing description of the Subscription Agreement does not purport to be complete and is subject to, and is qualified in its entirety by, the full text of such document, a copy of which is filed as Exhibit 10.1 hereto and incorporated by reference herein.

Item 3.02. Unregistered Sales of Equity Securities.

The information contained in Item 1.01 of this Current Report is incorporated by reference herein. Based in part upon the representations of the Purchaser in the Subscription Agreement, the offering and sale of the Series A Preferred Shares was exempt from registration under Section 4(a)(2) of the Securities Act of 1933, as amended.

Item 3.03. Material Modification to Rights of Security Holders.

The information contained in Item 5.03 of this Current Report is incorporated by reference herein.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On December 9, 2024, the Company filed Articles Supplementary (the "Articles Supplementary" and, collectively with the Subscription Agreement, the "Issuance Documents") classifying and designating the Series A Preferred Shares with the State Department of Assessments and Taxation of Maryland, which Articles Supplementary became effective on December 9, 2024.

The Articles Supplementary provides that each Series A Preferred Share will have twenty-five thousand (25,000) votes and will vote together with the Company's outstanding common shares, par value \$0.01 (the "Common Shares"), as a single class, only with respect to the Conversion Proposals at the Special Meeting. The Articles Supplementary also provide that each Series A Preferred Share will also vote together with the Common Shares on any election of Trustees (a "Trustee Election" and, collectively with the Conversion Proposals, the "Applicable Proposals"); however, because the Series A Preferred Shares will be redeemed immediately after the passage of the Conversion Proposals, and in no event later than the date immediately prior to the record date for the Company's 2025 Annual Meeting of Shareholders (the "2025 Annual Meeting"), the holder of the Series A Preferred Shares will not be able to vote on any proposals that the Company expects to include on the agenda for

the 2025 Annual Meeting, including the election of Trustees and the advisory (non-binding) vote on executive compensation. The Series A Preferred Shares have no voting rights besides those enumerated above.

The holder of the Series A Preferred Shares has granted an irrevocable proxy to certain officers of the Company to vote the Series A Preferred Shares in accordance with the terms of the Issuance Documents, in connection with the Special Meeting. Per the terms of the Issuance Documents, if voted, the Series A Preferred Shares are required to vote on the applicable proposals in the same "mirrored" proportion aggregate votes cast "FOR" and "AGAINST" each of the Conversion Proposals by the holders of the Common Shares who properly vote on such proposal (but excluding any abstentions).

The Series A Preferred Shares are not convertible into, or exchangeable for, shares of any other class or series of stock or other securities of the Company. Other than a right to receive a liquidation preference equal to the Purchase Price, the Series A Preferred Shares have no rights with respect to any distribution of assets of the Company, including upon a liquidation, bankruptcy, reorganization, merger, acquisition, sale, change-of-control, dissolution or winding up of the Company, in each case whether voluntarily or involuntarily. The Series A Preferred Shares do not entitle its holder to receive dividends of any kind.

The outstanding Series A Preferred Shares are required to be redeemed in whole, but not in part, upon the earliest of: (i) the approval by the Company's shareholders of the Conversion Proposals at any meeting of shareholders, including the Special Meeting, or (ii) immediately prior to the record date for the 2025 Annual Meeting, or (iii) on such date if redemption is authorized and directed by the Board in its sole discretion. Upon such redemption, the holder of the Series A Preferred Shares will receive aggregate consideration equal to the Purchase Price.

The foregoing description of the Articles Supplementary does not purport to be complete and is subject to, and is qualified in its entirety by, the full text of such document, a copy of which is filed as Exhibit 3.1 hereto and is incorporated by reference herein.

Item 7.01. Other Events.

On December 9, 2024, the Company issued a press release announcing that it has issued the Series A Preferred Shares. A copy of the press release is furnished herewith as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated into this Item 7.01 by reference.

Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "may," "expect," "project," "believe," "intend," "seek," "plan" and similar expressions or their negative forms, or by references to strategy, plans, or intentions. Forward-looking statements are based on our beliefs, assumptions and expectations of our future operations, business strategies, performance, financial condition, liquidity and prospects, taking into account information currently available to us. These beliefs, assumptions, and expectations are subject to numerous risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity, results of operations and strategies may vary materially from those expressed or implied in our forward-looking statements. The following factors are examples of those that could cause actual results to vary from those stated or implied by our forward-looking statements: changes in interest rates and the market value of the Company's investments, market volatility, changes in the default rates on corporate loans, the Company's ability to borrow to finance its assets, changes in government regulations affecting the Company's business, the Company's ability to maintain its exclusion from registration under the Investment Company Act of 1940, our ability to pivot our investment strategy to focus on collateralized loan obligations ("CLOs"), a deterioration in the CLO market, our ability to utilize our net operating loss carryforwards, our ability to convert to a closed end fund/RIC, including our ability to obtain shareholder approval of our conversion to a closed end fund/RIC, and other changes in market conditions and economic trends, such as changes to fiscal or monetary policy, heightened inflation, slower growth or recession, and currency fluctuations. Furthermore, as stated above, forward-looking statements are subject to numerous risks and uncertainties, including, among other things, those described under Item 1A of the Company's Annual Report on Form 10-K, which can be accessed through the link to the Company's SEC filings under "For Investors" on the Company's website (at www.ellingtoncredit.com) or at the SEC's website (www.sec.gov). Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected or implied may be described from time to time in reports the Company files with the SEC, including reports on Forms 10-Q, 10-K and 8-K. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Additional Information and Where to Find It

This communication relates to the proposed Conversion, along with related proposals for which shareholder approval will be sought (collectively, the “Proposals”). In connection with the Proposals, the Company intends to file relevant materials with the SEC, which will include a definitive proxy statement (the “Proxy Statement”). This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act. **SHAREHOLDERS OF THE COMPANY ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT WHEN IT BECOMES AVAILABLE, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS THERETO, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE COMPANY, THE CONVERSION AND THE PROPOSALS.** Investors and security holders will be able to obtain the documents filed with the SEC free of charge at the SEC’s web site, <http://www.sec.gov>.

Participants in the Solicitation

The Company and its respective directors, executive officers and certain other members of management and employees of Ellington Management Group, L.L.C. and its affiliates, may be deemed to be participants in the solicitation of proxies from the shareholders of the Company in connection with the Proposals. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the Company's shareholders in connection with the Proposals will be contained in the Proxy Statement when such document becomes available. This document may be obtained free of charge from the sources indicated above.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits. The following exhibits are being filed with this Current Report on Form 8-K.

3.1 [Articles Supplementary of Series A Preferred Shares, dated December 9, 2024](#)

10.1 [Subscription and Investment Representation Agreement, dated December 9, 2024, by and between Ellington Credit Company and Ellington Credit Company Management LLC](#)

99.1 [Press Release dated December 9, 2024](#)

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.

ELLINGTON CREDIT COMPANY

Dated: December 9, 2024

By: /s/ Christopher Smernoff

Christopher Smernoff
Chief Financial Officer

**ELLINGTON CREDIT COMPANY
ARTICLES SUPPLEMENTARY
SERIES A PREFERRED SHARES**

Ellington Credit Company, a Maryland real estate investment trust (the “Trust”), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: Pursuant to the authority expressly vested in the Board of Trustees of the Trust (the “Board of Trustees” or the “Board”) in Article VI of the Declaration of Trust of the Trust, as it may be amended, corrected or supplemented (the “Declaration of Trust”), the Board of Trustees, by duly adopted resolutions, has classified and designated 1,000 authorized but unissued preferred shares of beneficial interest, \$0.01 par value per share (“Preferred Shares”), of the Trust as Series A Preferred Shares of Beneficial Interest, \$0.01 par value per share (“Series A Preferred Shares”), of the Trust with the following preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends and other distributions, qualifications and terms and conditions of redemption, which, upon any restatement of the Declaration of Trust, shall become part of Article VI of the Declaration of Trust, with any necessary or appropriate renumbering or relettering of the sections or subsections hereof. Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Declaration of Trust.

**TERMS OF THE SERIES A
PREFERRED SHARES**

Section 1. Designation, Amount and Par Value. The series of Preferred Shares created hereby shall be designated as the Series A Preferred Shares, and the number of shares so designated shall be one thousand (1,000). The Series A Preferred Shares shall each have a par value of \$0.01 per share and will be uncertificated and represented in book-entry form.

Section 2. Dividends. No holder of any Series A Preferred Shares, as such, shall be entitled to receive dividends of any kind.

Section 3. Voting Rights. Except as otherwise provided by the Trust’s Bylaws (as amended or restated from time to time, the “Bylaws”) or Declaration of Trust or as required by law, a holder of any Series A Preferred Shares shall have the following voting rights:

3.1 Except as otherwise provided herein, each outstanding Series A Preferred Share shall have 25,000 votes. Each outstanding Series A Preferred Share shall vote together with the outstanding shares of common shares of beneficial interest, par value \$0.01 per share (the “Common Shares”), of the Trust as a single class exclusively with respect to: (1) a Redomicile Proposal, (2) a Statutory Trust Agreement Proposal, (3) an Investment Advisory Agreement Proposal, and (4) Trustee Elections, each as defined below. For the avoidance of doubt, except to the extent required under the Maryland REIT Law or the Maryland General Corporation Law, no Series A Preferred Share, whether designated herein or after this date, shall be entitled to vote on any matter other than those enumerated in the foregoing sentence. As used herein, the term “Redomicile Proposal” means any proposal for the Trust to change its legal form from a Maryland real estate investment trust to a Delaware statutory trust; the term “Statutory Trust Agreement Proposal” means any proposal by the Trust to amend and restate the existing Declaration of Trust to allow it to comply with the requirements of a statutory trust agreement in the state of Delaware; the “Investment Advisory Agreement Proposal” means any proposal by the Trust to enter into a new investment advisory agreement with Ellington Credit Company Management, LLC (the “Manager”) which complies with the requirements of the Investment Company Act of 1940, as amended and which does not result in a change in the structure of the advisory fees payable by the Trust to the Manager under its existing management agreement and the “Trustee Elections” means any proposal with respect to the election of Trustees of the Trust. The Redomicile Proposal, the Statutory Trust Agreement Proposal, and the Investment Advisory Agreement Proposal are collectively referred to as the “Conversion Proposals”, and the Conversion Proposals, collectively with the Trustee Elections are referred to as the “Applicable Proposals”.

3.2 The Series A Preferred Shares shall be entitled to vote on the Applicable Proposals, but such voting rights are subject to, and such votes shall only be entitled to be cast in accordance with, the terms of that certain Subscription Agreement, dated as of December 9, 2024, between the Company and the holder of the Series A Preferred Shares.

Section 4. Rank; Liquidation and Other. Upon any liquidation, dissolution or winding-up of the Trust, whether voluntary or involuntary, the holders of Series A Preferred Shares shall be entitled to receive out of the assets, whether capital or surplus, of the Trust an amount equal to the stated value for each Series A Preferred Share before any distribution or payment shall be made to the holders of Common Shares or any shares of the Trust, including any Series A Junior Preferred Shares, ranking junior to the Series A Preferred Shares then outstanding, and if the assets of the Trust shall be insufficient to pay in full such amounts, then the entire assets to be distributed to the holders of Series A Preferred Shares shall be ratably distributed among the holders of the Series A Preferred Shares in accordance with the respective amounts that would be payable on such shares if

all amounts payable thereon were paid in full. As used herein, the term “Stated Value” per Series A Preferred Share means an amount equal to \$1.00.

Section 5. Transfer. The Series A Preferred Shares may not be Transferred at any time prior to shareholder approval of the Applicable Proposals without the prior written consent of the Board. “Transferred” means, directly or indirectly, whether by merger, consolidation, share exchange, division, or otherwise, the sale, transfer, gift, pledge, encumbrance, assignment or other disposition of the Series A Preferred Shares (or any right, title or interest thereto or therein) or any agreement, arrangement or understanding (whether or not in writing) to take any of the foregoing actions.

Section 6. Redemption.

6.1 The outstanding Series A Preferred Shares shall be redeemed in whole, but not in part, at the earliest of: (i) if such redemption is authorized and directed by the Board in its sole discretion, automatically and effective on such time and date specified by the Board in its sole discretion, (ii) automatically upon the approval by the Trust’s shareholders of the Conversion Proposals at any meeting of shareholders or (iii) immediately prior to the record date for the 2025 Annual Meeting of Shareholders of the Trust (any such redemption pursuant to this Section 6.1, the “Redemption”). As used herein, the “Redemption Time” shall mean the effective time of the Redemption.

6.2 The Series A Preferred Shares redeemed in the Redemption pursuant to this Section 6 shall be redeemed in consideration for the right to receive an amount equal to \$1.00 in cash (the “Redemption Price”) for each Series A Preferred Share that is owned of record as of immediately prior to the Redemption Time and redeemed pursuant to the Redemption, payable upon the Redemption Time.

6.3 From and after the time at which the Series A Preferred Shares are called for Redemption (whether automatically or otherwise) in accordance with Section 6.1, such Series A Preferred Shares shall cease to be outstanding, and the only right of the former holder of such Series A Preferred Shares, as such, will be to receive the applicable Redemption Price. Each Series A Preferred Share redeemed by the Trust pursuant to these Articles Supplementary shall be automatically retired and restored to the status of an authorized but unissued Preferred Share upon such Redemption. Notice of a meeting of the Trust’s shareholders for the submission to such shareholders of any proposal to approve the Applicable Proposals shall constitute notice of the Redemption of Series A Preferred Shares and result in the automatic Redemption of the Series A Preferred Shares at the Redemption Time pursuant to Section 6.1 hereof.

Section 7. Severability. Whenever possible, each provision hereof shall be interpreted in a manner as to be effective and valid under applicable law, but if any provision hereof is held to be prohibited by or invalid under applicable law, then such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating or otherwise adversely affecting the remaining provisions hereof.

SECOND: The Series A Preferred Shares have been designated and classified by the Board under the authority contained in the Declaration of Trust.

THIRD: These Articles Supplementary have been approved by the Board in the manner and by the vote required by law.

FOURTH: These Articles Supplementary shall become effective to 4:15 P.M., Eastern Time, on December 9, 2024.

FIFTH: The undersigned Chief Executive Officer of the Trust acknowledges these Articles Supplementary to be the trust act of the Trust and, as to all matters or facts required to be verified under oath, the undersigned Chief Executive Officer acknowledges that to the best of his knowledge, information and belief, these matters and facts are true in all material respects and that this statement is made under the penalties of perjury.

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IN WITNESS WHEREOF, Ellington Credit Company has caused these Articles Supplementary to be executed under seal in its name and on its behalf by its Chief Executive Officer, and attested to by its Secretary, on this 9th day of December, 2024.

ATTEST:

ELLINGTON CREDIT COMPANY

By: /s/ Alaael-Deen Shilleh
Name: Alaael-Deen Shilleh
Title: Secretary

By: /s/ Laurence E. Penn
Name: Laurence E. Penn
Title: Chief Executive Officer

It is the responsibility of any investor purchasing these securities to satisfy itself as to full observance of the laws of any relevant territory outside the United States in connection with any such purchase, including obtaining any required governmental or other consents or observing any other applicable requirements. We are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

ELLINGTON CREDIT COMPANY
Series A Preferred Shares

SUBSCRIPTION AND INVESTMENT REPRESENTATION AGREEMENT

THIS AGREEMENT, dated as of December 9, 2024, is by and between Ellington Credit Company, a Maryland real estate investment trust (the “**Trust**”), and the undersigned subscriber (the “**Subscriber**”). In consideration of the mutual promises contained herein, and other good, valuable and adequate consideration, the parties hereto agree as follows:

1. Agreement of Sale; Closing. The Trust agrees to sell to Subscriber, and Subscriber agrees to purchase from the Trust, one thousand (1,000) shares of the Trust’s Series A Preferred Shares, par value \$0.01 per share (the “**Securities**”), which Securities shall have the voting rights, designations, powers, preferences, qualifications, limitations and restrictions set forth in the Articles Supplementary attached hereto as Exhibit A (the “**Articles Supplementary**”). Subscriber hereby acknowledges and agrees to the entire terms of the Articles Supplementary, including, without limitation, the voting rights in Section 3, the restrictions on transfer of the Securities in Section 5 and the redemption of the Securities pursuant to Section 6 of the Articles Supplementary. The purchase price will be paid by the Subscriber to the Trust in cash at the price of **\$1.00** per share.

2. Representations and Warranties of Subscriber. In consideration of the Trust’s offer to sell the Securities, and in addition to the purchase price to be paid, Subscriber hereby covenants, represents and warrants to the Trust as follows:

a. Information About the Trust.

i. Subscriber has had an opportunity to ask questions of, and receive answers from, the Trust concerning the business, management, and financial and compliance affairs of the Trust and the terms and conditions of the purchase of the Securities contemplated hereby. Subscriber has had an opportunity to obtain, and has received, any additional information deemed necessary by the Subscriber to verify such information in order to form a decision concerning an investment in the Trust.

ii. Subscriber has been advised to seek legal counsel and financial and tax advice concerning Subscriber’s investment in the Trust hereunder.

b. Restrictions on Transfer. Subscriber covenants, represents and warrants that the Securities are being purchased for Subscriber’s own personal account and for Subscriber’s individual investment and without the intention of reselling or redistributing the same, that Subscriber has made no agreement with others regarding any of such Securities, and that Subscriber’s financial condition is such that it is not likely that it will be necessary to dispose of any of the Securities in the foreseeable future. Moreover, Subscriber acknowledges that any of the aforementioned actions may require the prior written consent of the Trust’s board of trustees pursuant to the Articles Supplementary. Subscriber is aware that, in the view of the Securities and Exchange Commission, a purchase of the Securities with an intent to resell by reason of any foreseeable specific contingency or anticipated change in market values, or any change in the condition of the Trust, or in connection with a contemplated liquidation or settlement of any loan obtained by Subscriber for the acquisition of the Securities and for which the Securities were pledged as security, would represent an intent inconsistent with the covenants, warranties and representations set forth above. Subscriber understands that the Securities have not been registered under the Securities Act of 1933, as amended (the “**Securities Act**”), or any state or foreign securities laws in reliance on exemptions from registration under these laws, and that, accordingly, the Securities may not be resold by the undersigned (i) unless they are registered under both the Securities Act and applicable state or foreign securities laws or are sold in transactions which are exempt from such registration, and (ii) except in compliance with Section 5 of the Articles Supplementary, which may require the prior written consent of the Trust’s board of trustees. Subscriber therefore agrees not to sell, assign, transfer or otherwise dispose of the Securities (i) unless a registration statement relating thereto has been duly filed and become effective under the Securities Act and applicable state or foreign securities laws, or unless in the opinion of counsel satisfactory to the Trust no such registration is required under the circumstances, and (ii) except in compliance with Section 5 of the Articles Supplementary. There is not currently, and it is unlikely that in the future there will exist, a public market for the Securities; and accordingly, for the above and other reasons, Subscriber may not be able to liquidate an investment in the Securities for an indefinite period.

c. High Degree of Economic Risk. Subscriber realizes that an investment in the Securities involves a high degree of economic risk to the Subscriber, including the risks of receiving no return on the investment and/or of losing Subscriber's entire investment in the Trust. Subscriber is able to bear the economic risk of investment in the Securities, including the total loss of such investment. The Trust can make no assurance regarding its future financial performance or as to the future profitability of the Trust.

d. Suitability. Subscriber has such knowledge and experience in financial, legal and business matters that Subscriber is capable of evaluating the merits and risks of an investment in the Securities. Subscriber has obtained, to the extent deemed necessary, Subscriber's own personal professional advice with respect to the risks inherent in, and the suitability of, an investment in the Securities in light of Subscriber's financial condition and investment needs. Subscriber believes that the investment in the Securities is suitable for Subscriber based upon Subscriber's investment objectives and financial needs, and Subscriber has adequate means for providing for Subscriber's current financial needs and personal contingencies and has no need for liquidity of investment with respect to the Securities. Subscriber understands that no federal or state agency has made any finding or determination as to the fairness for investment, nor any recommendation or endorsement, of the Securities.

e. Tax Liability. Subscriber has reviewed with Subscriber's own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Agreement, and has and will rely solely on such advisors and not on any statements or representations of the Trust or any of its agents, representatives, employees or affiliates or subsidiaries. Subscriber understands that Subscriber (and not the Trust) shall be responsible for Subscriber's own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement. Under penalties of perjury, Subscriber certifies that Subscriber is not subject to back-up withholding either because Subscriber has not been notified that Subscriber is subject to back-up withholding as a result of a failure to report all interest and dividends, or because the Internal Revenue Service has notified Subscriber that Subscriber is no longer subject to back-up withholding.

f. Residence. Subscriber's present principal residence or business address, and the location where the securities are being purchased, is located in the State of Connecticut.

g. Limitation Regarding Representations. Except as set forth in this Agreement, no covenants, representations or warranties have been made to Subscriber by the Trust or any agent, representative, employee, director or affiliate or subsidiary of the Trust and in entering into this transaction, Subscriber is not relying on any information, other than that contained herein and the results of independent investigation by Subscriber without any influence by the Trust or those acting on the Trust's behalf. Subscriber agrees it is not relying on any oral or written information not expressly included in this Agreement, including but not limited to the information which has been provided by the Trust, its trustees, its officers or any affiliate or subsidiary of any of the foregoing.

h. Authority.

i. Entity. If the undersigned is not an individual but an entity, the individual signing on behalf of such entity and the entity jointly and severally agree and certify that (a) the undersigned was not organized for the specific purpose of acquiring the Securities and (b) this Agreement has been duly authorized by all necessary action(s) on the part of the undersigned, has been duly executed by an authorized officer, agent or representative of the undersigned, and is a legal, valid and binding obligation of the undersigned enforceable in accordance with its terms.

ii. Individual. If the undersigned is an individual, the undersigned is of legal age.

3. Legend. Subscriber consents to the notation of the Securities with the following legend reciting restrictions on the transferability of the Securities:

The Securities represented hereby have not been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), and have not been registered under any state securities laws. These Securities may not be sold, offered for sale or transferred, without first obtaining (i) an opinion of counsel satisfactory to the Trust that such sale or transfer lawfully is exempt from registration under the Securities Act and under the applicable state securities laws or (ii) such registration. Moreover, these Securities may be transferred only in accordance with the terms of the Trust's Articles Supplementary of Series A Preferred Shares, a copy of which is on file with the Secretary of the Trust.

PARAGRAPH 4 IS REQUIRED IN CONNECTION WITH THE EXEMPTIONS FROM THE SECURITIES ACT AND STATE LAWS BEING RELIED ON BY THE TRUST WITH RESPECT TO THE OFFER AND SALE OF THE SECURITIES HEREUNDER. ALL OF SUCH INFORMATION WILL BE KEPT CONFIDENTIAL AND WILL BE REVIEWED ONLY BY THE TRUST AND ITS COUNSEL. THE UNDERSIGNED AGREES TO FURNISH ANY ADDITIONAL INFORMATION THAT THE TRUST AND ITS COUNSEL DEEM NECESSARY TO VERIFY THE RESPONSES SET FORTH BELOW.

4. Accredited Status. Subscriber covenants, represents and warrants that it does qualify as an “accredited investor” as that term is defined in Regulation D under the Securities Act because the undersigned satisfies the criteria indicated in Exhibit B hereto. Subscriber further covenants, represents and warrants that the information provided under the heading “Accredited Investor Status” in Exhibit B to this Agreement is true and correct. The information provided under this section of the Agreement is required in connection with the exemptions from the Securities Act and state securities laws being relied on by the Trust with respect to the offer and sale of the Securities. The undersigned agrees to furnish any additional information which the Trust or its legal counsel deem necessary in order to verify the responses set forth above.

5. Holding Status. Subscriber desires that the Securities be held as set forth on the signature page hereto.

6. Irrevocable Proxy. Subscriber hereby grants to Laurence E. Penn, Chief Executive Officer of the Trust, and Alaael-Deen Shilleh, Secretary of the Trust, or either of them, with full power of substitution in each, an irrevocably proxy coupled with an interest to attend any meeting of shareholders of the Trust and vote the Securities on any Applicable Proposals (as defined in the Articles Supplementary) in the same proportion as the votes cast by outstanding common shares of beneficial interest, par value \$0.01 per share (the “**Common Shares**”), of the Trust (excluding any Common Shares that are not voted for any reason, including any abstentions) on the Conversion Proposals (and, for the purposes of clarity, the Securities have no rights to vote on any matters other than as set forth in Section 3 of the Articles Supplementary).

7. Confidentiality. Subscriber will make no written or other public disclosures regarding the Trust and its business, the terms or existence of the proposed or actual sale of Securities or regarding the parties to the proposed or actual sale of Securities to any individual or organization without the prior written consent of the Trust, except as may be required by law.

8. Notice. Correspondence regarding the Securities should be directed to Subscriber at the address provided by Subscriber to the Trust in writing. Subscriber is a bona fide resident of the state of Connecticut.

9. No Assignment or Revocation; Binding Effect. Neither this Agreement, nor any interest herein, shall be assignable or otherwise transferable, restricted or limited by Subscriber without prior written consent of the Trust. Subscriber hereby acknowledges and agrees that Subscriber is not entitled to cancel, terminate, modify or revoke this Agreement in any way and that the Agreement shall survive the death, incapacity or bankruptcy of Subscriber. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto, and their respective heirs, legal representatives, successors and assigns.

10. Indemnification. The Trust agrees to indemnify and hold harmless the Subscriber and each current and future officer, director, employee, agent, representative and shareholder, if any, of the Subscriber from and against any and all costs, loss, damage or liability associated with this Agreement and the issuance and voting of the Securities.

11. Modifications. This Agreement may not be changed, modified, released, discharged, abandoned or otherwise amended, in whole or in part, except by an instrument in writing, signed by the Subscriber and the Trust. No delay or failure of the Trust in exercising any right under this Agreement will be deemed to constitute a waiver of such right or of any other rights.

12. Entire Agreement. This Agreement and the exhibits hereto are the entire agreement between the parties with respect to the subject matter hereto and thereto. This Agreement, including the exhibits, supersede any previous oral or written communications, representations, understandings or agreements with the Trust or with any officers, trustees, agents or representatives of the Trust.

13. Severability. In the event that any paragraph or provision of this Agreement shall be held to be illegal or unenforceable in any jurisdiction, such paragraph or provision shall, as to that jurisdiction, be adjusted and reformed, if possible, in order to achieve the intent of the parties hereunder, and if such paragraph or provision cannot be adjusted and reformed, such paragraph or provision shall, for the purposes of that jurisdiction, be voided and severed from this Agreement, and the entire Agreement shall not fail on account thereof but shall otherwise remain in full force and effect.

14. Governing Law. This Agreement shall be governed by, subject to, and construed in accordance with the laws of the State of New York without regard to conflict of law principles.

15. Survival of Covenants, Representations and Warranties. Subscriber understands the meaning and legal consequences of the agreements, covenants, representations and warranties contained herein, and agrees that such agreements, covenants, representations and warranties shall survive and remain in full force and effect after the execution hereof and payment by Subscriber for the Securities.

[Remainder of page left blank intentionally - signature page follows]

For good, valuable and adequate consideration, the receipt and sufficiency of which is hereby acknowledged, Subscriber hereby agrees that **by signing this Subscription and Investment Representation Agreement, and upon acceptance hereof by the Trust**, that the terms, provisions, obligations and agreements of this Agreement shall be binding upon Subscriber, and such terms, provisions, obligations and agreements shall inure to the benefit of and be binding upon Subscriber and its successors and assigns.

INDIVIDUAL(S):

ENTITY:

Entity Name: Ellington Credit Company Management, LLC

Name:

By: /s/ Laurence E. Penn

Name: Laurence E. Penn

Its: Executive Vice President

Number of Shares Purchased: 1,000
Purchase Price Per Share: \$1.00
Aggregate Purchase Price: \$1,000.00

The Subscriber desires that the Securities be held as follows (check one):

- | | |
|--|--|
| <input type="checkbox"/> Individual Ownership | <input type="checkbox"/> Corporation* |
| <input type="checkbox"/> Community Property | <input type="checkbox"/> Trust* |
| <input type="checkbox"/> Jr. Tenant with Right of Survivorship
(both parties must sign) | <input checked="" type="checkbox"/> Limited Liability Company* |
| <input type="checkbox"/> Tenants in Common | <input type="checkbox"/> Partnership* |
| | <input type="checkbox"/> Other (please describe): |

*If Securities are being subscribed for by an entity, Exhibit C to this agreement must also be completed.

The Trust hereby accepts the subscription evidenced by this Subscription and Investment Representation Agreement:

ELLINGTON CREDIT COMPANY

By: /s/ Laurence E. Penn

Laurence E. Penn

Chief Executive Officer, President and Trustee

ELLINGTON CREDIT PREPARES FOR SPECIAL MEETING AND ISSUES MIRROR PREFERRED STOCK

—Intends to Hold Special Meeting of Shareholders and Convert to Closed-End Fund/RIC in Early 2025—

—Issues Mirror Preferred Stock to Amplify Vote of Common Shareholders—

—Preferred Stock to be Automatically Redeemed Following Successful Vote on Conversion—

OLD GREENWICH, CONNECTICUT, December 9, 2024—Ellington Credit Company (the “Company”) (NYSE: EARN) announced today that its Board of Trustees intends to call a special meeting of shareholders in early 2025 (the “Special Meeting”), to approve its previously announced conversion to a Delaware registered closed-end fund to be treated as a regulated investment company under the Internal Revenue Code, focused on corporate CLO investments (the “Conversion”). In conjunction with the Special Meeting, the Company today filed a preliminary proxy statement with the U.S. Securities and Exchange Commission (the “SEC”) (the “Preliminary Proxy Statement”). The Company intends to announce the date of the Special Meeting with the filing of a definitive proxy statement.

The Company had previously placed certain proposals related to the Conversion (the “Conversion Proposals”) on the ballot at its 2024 annual meeting of shareholders, which took place on December 4, 2024. Over 91% of the votes cast at such meeting were cast in favor of the Conversion Proposals, and, excluding abstentions, over 95% of such votes were cast in favor. However, given the large number of shareholders who did not vote on the Conversion Proposals, the threshold for passage was not reached. Therefore, the Company also announced today that it has issued and sold one thousand (1,000) Series A Preferred Shares, par value \$0.01 per share (the “Preferred Shares”), with each Preferred Share having twenty-five thousand (25,000) votes. Any votes cast by the holder of the Preferred Shares are required to “mirror” the actual votes cast by the common shareholders, and so the Preferred Shares will serve to amplify the voting preference of the common shareholders who vote on a Conversion Proposal, and therefore will not override the affirmatively expressed preference of the voting common shareholders. The issuance of the Preferred Shares increases the likelihood of procuring the votes necessary to effectuate the Conversion should a majority of the common shareholders voting at the Special Meeting vote in favor of the Conversion Proposals.

The Preferred Shares were sold to Ellington Credit Company Management LLC, the Company’s external manager, for an aggregate purchase price of \$1,000. The Preferred Shares will vote together with the Company’s outstanding common shares as a single class; they will only have the right to vote on the Conversion Proposals at the Special Meeting, they are not entitled to receive dividends of any kind, and they will be automatically redeemed upon shareholder approval of the Conversion Proposals (or earlier, in certain scenarios).

Laurence Penn, Chief Executive Officer and President commented:

“Despite the overwhelming support that we received from our shareholders, we unfortunately needed greater participation at the 2024 shareholder meeting to enable the conversion proposals to pass. Given this tremendous support, and our strong belief that the conversion continues to be in the best interests of shareholders, the Company has issued mirror preferred stock, and we are working on scheduling a new shareholder meeting in the near future to ensure that we can fulfill what we believe to be the clear will of the common shareholders.”

“Management and the Board thank our shareholders for their continued support and confidence, and for their patience and trust as we work towards completing the conversion in early 2025.”

Additional information about the Preferred Shares is available on a Form 8-K filed by the Company with the SEC and additional information about the Special Meeting is available on the Preliminary Proxy Statement filed by the Company with the SEC.

Cautionary Statement Regarding Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not historical in nature and can be identified by words such as "anticipate," "estimate," "will," "should," "may," "expect," "project," "believe," "intend," "seek," "plan" and similar expressions or their negative forms, or by references to strategy, plans, or intentions. Forward-looking statements are based on our beliefs, assumptions and expectations of our future operations, business strategies, performance, financial condition, liquidity and prospects, taking into account information currently available to us. These beliefs, assumptions, and expectations are subject to numerous risks and uncertainties and can change as a result of many possible events or factors, not all of which are known to us. If a change occurs, our business, financial condition, liquidity, results of operations and strategies may vary materially from those expressed or implied in our forward-looking statements. The following factors are examples of those that could cause actual results to vary from those stated or implied by our forward-looking statements: changes in interest rates and the market value of the Company's investments, market volatility, changes in the default rates on corporate loans, the Company's ability to borrow to finance its assets, changes in government regulations affecting the Company's business, the Company's ability to maintain its exclusion from registration under the Investment Company Act of 1940, our ability to pivot our investment strategy to focus on collateralized loan obligations ("CLOs"), a deterioration in the CLO market, our ability to utilize our net operating loss carryforwards, our ability to convert to a closed end fund/RIC, including our ability to obtain shareholder approval of our conversion to a closed end fund/RIC, and other changes in market conditions and economic trends, such as changes to fiscal or monetary policy, heightened inflation, slower growth or recession, and currency fluctuations. Furthermore, as stated above, forward-looking statements are subject to numerous risks and uncertainties, including, among other things, those described under Item 1A of the Company's Annual Report on Form 10-K, which can be accessed through the link to the Company's SEC filings under "For Investors" on the Company's website (at www.ellingtoncredit.com) or at the SEC's website (www.sec.gov). Other risks, uncertainties, and factors that could cause actual results to differ materially from those projected or implied may be described from time to time in reports the Company files with the SEC, including reports on Forms 10-Q, 10-K and 8-K. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

This release and the information contained herein do not constitute an offer of any securities or solicitation of an offer to purchase securities. In addition, the release is not a solicitation of votes or proxies. Any such solicitation will only be made pursuant to a proxy statement or other appropriate proxy materials filed with the SEC and labeled as such.

Additional Information and Where to Find It

This communication relates to the proposed Conversion, along with related proposals for which shareholder approval will be sought (collectively, the "Proposals"). In connection with the Proposals, the Company intends to file relevant materials with the SEC, which will include a definitive proxy statement (the "Proxy Statement"). This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval. No offer of securities shall be made except by means of a prospectus meeting the requirements of Section 10 of the Securities Act. **SHAREHOLDERS OF THE COMPANY ARE URGED TO READ ALL RELEVANT DOCUMENTS FILED WITH THE SEC, INCLUDING THE PROXY STATEMENT WHEN IT BECOMES AVAILABLE, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS THERETO, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT THE COMPANY, THE CONVERSION AND THE PROPOSALS.** Investors and security holders will be able to obtain the documents filed with the SEC free of charge at the SEC's web site, <http://www.sec.gov>.

Participants in the Solicitation

The Company and its respective directors, executive officers and certain other members of management and employees of Ellington Management Group, L.L.C. and its affiliates, may be deemed to be participants in the solicitation of proxies from the shareholders of the Company in connection with the Proposals. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of the Company's shareholders in connection with the Proposals will be contained in the Proxy Statement when such document becomes available. This document may be obtained free of charge from the sources indicated above.

About Ellington Credit Company

Ellington Credit Company, formerly known as Ellington Residential Mortgage REIT, was initially formed as a real estate investment trust ("REIT") that invested primarily in residential mortgage-backed securities ("MBS"). On March 29, 2024, the Company's Board of Trustees approved a strategic transformation of its investment strategy to focus on corporate CLOs, with an emphasis on mezzanine debt and equity tranches. In connection with this transformation, the Company revoked its election to be taxed as a REIT effective January 1, 2024, and rebranded to Ellington Credit Company. In early 2025, the Company intends, subject to shareholder approval of certain matters, to convert to a closed-end fund and complete its transition from an MBS-focused company to a CLO-focused company.

Ellington Credit Company is externally managed and advised by Ellington Credit Company Management LLC, an affiliate of Ellington Management Group, L.L.C.

Contacts

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