

STEARNS REACHES AGREEMENT WITH LARGEST NOTEHOLDERS ON MODIFIED PLAN OF REORGANIZATION

Blackstone to Serve as Plan Sponsor

Stearns to Seek Court Approval of Plan at Hearing Scheduled for October 24, 2019

SANTA ANA, Calif. – September 11, 2019 – Stearns Holdings, LLC (“Stearns” or the “Company”), the parent company of Stearns Lending, LLC, a leading provider of residential mortgage lending services in Wholesale, Retail and Strategic Alliances sectors, today announced that it has reached an agreement with its largest noteholders (the “Noteholders”) under which the Noteholders will support the Company’s modified Plan of Reorganization (the “Plan”). The Noteholders and/or funds that they advise and manage collectively hold almost two-thirds of the face amount of the Company’s notes. With the Noteholders’ support, Blackstone (“Blackstone,” NYSE: BX) will serve as the plan sponsor and will contribute in new capital of \$65 million plus additional cash to pay certain claims on the Effective Date to Stearns in return for 100% of the ownership of the reorganized Company. This contribution is in addition to, among other things, debtor-in-possession financing in the amount of up to \$30 million that Blackstone has agreed to refinance under the Plan.

The Company’s modified Plan is subject to confirmation by the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). Having received the support of the Noteholders for the modified plan, Stearns has canceled the auction previously scheduled to take place on September 16, 2019. The Company will seek confirmation of the plan at a hearing scheduled for October 24, 2019.

“We are pleased to have obtained the support of our largest noteholders as we take the next step forward in our efforts to reposition Stearns for future growth opportunities and enhanced profitability,” said David Schneider, Chief Executive Officer of Stearns Lending. “We have taken deliberate and proactive actions to reduce costs and refocus on our core businesses and this is an ideal outcome for our Company. As a long-term investor in Stearns, Blackstone knows our business well and their desire to deepen their relationship and ongoing commitment to our business, employees and partners demonstrates their confidence in Stearns’ future prospects. We are grateful for Blackstone’s support, and with their partnership, we are well positioned to emerge from this process stronger than before.”

Mr. Schneider added, “Stearns continues to operate as normal and the Company remains focused on our mission of helping homebuyers find the best loans for their current and future needs. We look forward to completing the process as quickly as possible, and we thank all of our employees for their continued hard work and dedication.”

Additional information is available on the restructuring page of the Company’s website at www.stearnsrestructuring.com. In addition, court filings and other documents related to the court proceedings are available on a separate website administered by the Company’s claims agent, Prime Clerk, at <https://cases.primeclerk.com/stearns>. Information is also available by calling toll-free at 844-234-1461 or 917-942-6399 for calls originating outside of the U.S. or emailing Stearnsinfo@primeclerk.com.

Skadden, Arps, Slate, Meagher & Flom LLP is serving as legal advisor to Stearns, PJT Partners is serving as its financial advisor and Alvarez & Marsal is serving as its restructuring advisor.

About Stearns Lending, LLC

Stearns Lending, LLC is a leading provider of mortgage lending services in Wholesale, Retail, Strategic Alliances, Non-Delegated Correspondent and Financial Institutions sectors throughout the United States.

Stearns Lending is an equal housing lender and is licensed to conduct business in 49 states and the District of Columbia. Additionally, Stearns Lending is an approved HUD (United States Department of Housing and Urban Development) lender; a Single Family Issuer for Ginnie Mae (Government National Mortgage Association); an approved Seller/Servicer for Fannie Mae (Federal National Mortgage

Association); and an approved Seller/Servicer for Freddie Mac (Federal Home Loan Mortgage Corporation). Stearns Lending is also approved as a VA (United States Department of Veterans Affairs) lender, a USDA (United States Department of Agriculture) lender, and is an approved lending institution with FHA (Federal Housing Administration). Stearns Lending, LLC is located at 4 Hutton Centre Drive, 10th Floor, Santa Ana, CA 92707. Company NMLS# 1854.

About Blackstone

Blackstone is one of the world's leading investment firms. We seek to create positive economic impact and long-term value for our investors, the companies we invest in, and the communities in which we work. We do this by using extraordinary people and flexible capital to help companies solve problems. Our asset management businesses, with \$545 billion in assets under management, include investment vehicles focused on private equity, real estate, public debt and equity, non-investment grade credit, real assets and secondary funds, all on a global basis. Further information is available at www.blackstone.com. Follow Blackstone on Twitter @Blackstone.

Caution Regarding Forward-Looking Information and "Safe Harbor" Statement

This news release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements include, but are not limited to, statements about the expected timing, completion, financial benefits and other effects of the proposed comprehensive financial restructuring plan and related transactions. Forward-looking statements can be identified by the use of the words "anticipate," "believe," "expect," "intend," "could" and "should," and other words of similar meaning. These forward-looking statements express management's current expectations or forecasts of future events and, by their nature, are subject to risks and uncertainties and there are a number of factors that could cause actual results to differ materially from those in such statements. These forward-looking statements are made only as of the date of this news release, and neither Stearns nor Blackstone undertakes an obligation to release revisions to these forward-looking statements to reflect events or conditions after the date of this news release.

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