

Velocity Financial Group Launches with \$400 Million of Capital to Serve Middle-Market and Venture-Backed Companies

American Capital Strategies is Lead Sponsor and Investor

Chicago, IL – May 1, 2007 – Velocity Financial Group, Inc., a newly formed specialty finance company, announced today that it has secured approximately \$400 million of funding commitments to provide financing to middle-market and venture-backed companies. American Capital Strategies Ltd. (Nasdaq: ACAS), the second largest U.S. publicly traded alternative asset manager with approximately \$11 billion in assets under management, is Velocity's lead sponsor and investor.

Velocity will focus on financing core technology assets for companies through leases and loans. The new company also will supply venture-backed companies with expansion capital that is complementary to traditional bank and equity financing.

“Our mission is to develop strategic relationships with every customer we serve,” says Frank Cirone, chief executive officer. “By offering a range of complementary capabilities on top of a flexible financing package, we aim to distinguish ourselves as a true partner to our customers and as a value added resource. We fund transactions off our own substantial balance sheet and thus have the ability to respond quickly and serve companies from their inception to when they achieve ‘middle market’ status...and beyond.”

Velocity was founded and is being led by veterans of technology finance, Frank Cirone and Jan Haas. Prior to starting Velocity, Cirone and Haas were executives of Comdisco, Inc., the largest independent IT leasing and venture debt firm during the 1990s, a period in which it achieved *Fortune* 500 status.

“Frank's and Jan's experience in building and managing substantial leasing and venture debt finance businesses and their focus on creating customized financing solutions for their customers were key reasons we developed such confidence in their capabilities and their plan,” says Bob Grunewald, head of financial services at American Capital. “With an \$800 million concentration limit on any single investment, we have plenty of dry powder to support the growth of the company over the coming years, and we are excited to help establish Velocity as a leading independent force in the leasing and venture debt markets globally.”

“We set out to build a permanent balance sheet, with strong financial partners that had wide reach, were experts in our business and shared our perspective of building an enterprise for long term sustainability and success,” says Jan Haas, president, “and we found that in American Capital.”

Velocity is headquartered in Chicago and will serve the venture community out of offices in the Boston area and Silicon Valley. Velocity is actively funding new transactions with a rapidly growing base of customers.

About Velocity Financial Group

Velocity Financial Group is a non-regulated specialty finance company providing capital equipment financing and working capital to middle-market and venture-backed companies. Formed by veterans of technology finance, Velocity provides equipment leasing to middle-market companies with revenue of between \$20 million and \$1 billion through its Middle Markets Group and venture leasing and lending to venture-backed companies through its Ventures Group. Velocity is focused on building long term relationships with its customers and providing flexible, customized, asset-focused financing solutions throughout a company’s life-cycle. For more information, please visit www.velocityfg.com.

About American Capital Strategies

American Capital is the second largest U.S. publicly traded alternative asset manager with approximately \$11 billion in assets under management (second to Fortress). American Capital, both directly and through its global asset management business, is an investor in management and employee buyouts, private equity buyouts, and early stage and mature private and public companies. American Capital provides senior debt, mezzanine debt and equity to fund growth, acquisitions, recapitalizations and securitizations. American Capital and its affiliates invest from \$5 million to \$800 million per company in North America and €5 million to €400 million per company in Europe. For more information, please visit www.americancapital.com.

Corporate Inquiries:

Velocity Financial Group, Inc.
Jan Haas
773-243-1255

Press-Related Inquiries:

L.C. Williams & Associates
Mary Moster/Ben Arens
312-565-3900