UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended September 30, 2018

or

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____to_____

Commission File Number: 001-35777

New Residential Investment Corp.

(Exact name of registrant as specified in its charter)

Delaware	45-3449660
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1345 Avenue of the Americas, New York, NY	10105
(Address of principal executive offices)	(Zip Code)

(212) 798-3150

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulations S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐

Smaller reporting company ☐ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the last practicable date.

Common stock, $0.01 par value per share: 340,354,429 shares outstanding as of October 26, 2018.

CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This report contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, which statements involve substantial risks and uncertainties. Such forward-looking statements relate to, among other things, the operating performance of our investments, the stability of our earnings, our financing needs and the size and attractiveness of market opportunities. Forward-looking statements are generally identifiable by use of forward-looking terminology such as "may," "will," "should," "potential," "intend," "expect," "endeavor," "seek," "anticipate," "estimate," "overestimate," "underestimate," "believe," "could," "project," "predict," "continue" or other similar words or expressions. Forward-looking statements are based on certain assumptions, discuss future expectations, describe future plans and strategies, contain projections of results of operations, cash flows or financial condition or state other forward-looking information. Our ability to predict results or the actual outcome of future plans or strategies is inherently uncertain. Although we believe that the expectations reflected in such forward-looking statements are based on reasonable assumptions, our actual results and performance could differ materially from those set forth in the forward-looking statements. These forward-looking statements involve risks, uncertainties and other factors that may cause our actual results in future periods to differ materially from forecasted results. Factors which could have a material adverse effect on our operations and future prospects include, but are not limited to:

- reductions in the value of, or cash flows received from, our investments;
- the quality and size of the investment pipeline and our ability to take advantage of investment opportunities at attractive risk-adjusted prices;
- the relationship between yields on assets which are paid off and yields on assets in which such monies can be reinvested;
- our ability to deploy capital accretively and the timing of such deployment;
- our counterparty concentration and default risks in Nationstar, Ocwen, OneMain, Ditech, PHH and other third parties;
- events, conditions or actions that might occur at Nationstar, Ocwen, OneMain, Ditech, PHH and other third parties, as well as the continued effect of prior events;
- a lack of liquidity surrounding our investments, which could impede our ability to vary our portfolio in an appropriate manner;
- the impact that risks associated with subprime mortgage loans and consumer loans, as well as deficiencies in servicing and foreclosure practices, may have on the value of our mortgage servicing rights ("MSRs"), Excess MSRs, Servicer Advance Investments, residential mortgage-backed securities ("RMBS"), residential mortgage loans and consumer loan portfolios;
- the risks related to our acquisition of Shellpoint Partners LLC and ownership of entities that perform origination and servicing operations;
- the risks that default and recovery rates on our MSRs, Excess MSRs, Servicer Advance Investments, RMBS, residential mortgage loans and consumer loans deteriorate compared to our underwriting estimates;
- changes in prepayment rates on the loans underlying certain of our assets, including, but not limited to, our MSRs or Excess MSRs;
- the risk that projected recapture rates on the loan pools underlying our MSRs or Excess MSRs are not achieved;
- servicer advances may not be recoverable or may take longer to recover than we expect, which could cause us to fail to achieve our targeted return on our Servicer Advance Investments or MSRs;
- impairments in the value of the collateral underlying our investments and the relation of any such impairments to our judgments as to whether changes in the market value of our securities or loans are temporary or not and whether circumstances bearing on the value of such assets warrant changes in carrying values;
- the relative spreads between the yield on the assets in which we invest and the cost of financing;
- adverse changes in the financing markets we access affecting our ability to finance our investments on attractive terms, or at all;
- changing risk assessments by lenders that potentially lead to increased margin calls, not extending our repurchase agreements or other financings in accordance with their current terms or not entering into new financings with us;
- changes in interest rates and/or credit spreads, as well as the success of any hedging strategy we may undertake in relation to such changes;
- the availability and terms of capital for future investments;

- changes in economic conditions generally and the real estate and bond markets specifically;
- competition within the finance and real estate industries;
- the legislative/regulatory environment, including, but not limited to, the impact of the Dodd-Frank Act, U.S. government programs intended to grow the economy, future changes to tax laws, the federal conservatorship of Fannie Mae and Freddie Mac and legislation that permits modification of the terms of residential mortgage loans;
- the risk that Government Sponsored Enterprises or other regulatory initiatives or actions may adversely affect returns from investments in MSRs and Excess MSRs;
- our ability to maintain our qualification as a real estate investment trust ("REIT") for U.S. federal income tax purposes and the potentially onerous consequences that any failure to maintain such qualification would have on our business;
- our ability to maintain our exclusion from registration under the Investment Company Act of 1940 (the "1940 Act") and the fact that maintaining such exclusion imposes limits on our operations;
- the risks related to Home Loan Servicing Solutions ("HLSS") liabilities that we have assumed;
- the impact of current or future legal proceedings and regulatory investigations and inquiries;
- the impact of any material transactions with FIG LLC (the "Manager") or one of its affiliates, including the impact of any actual, potential or perceived conflicts of interest; and
- effects of the completed merger of Fortress Investment Group LLC with affiliates of SoftBank Group Corp.

We also direct readers to other risks and uncertainties referenced in this report, including those set forth under "Risk Factors." We caution that you should not place undue reliance on any of our forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made. New risks and uncertainties arise from time to time, and it is impossible for us to predict those events or how they may affect us. Except as required by law, we are under no obligation (and expressly disclaim any obligation) to update or alter any forward-looking statement, whether written or oral, that we may make from time to time, whether as a result of new information, future events or otherwise.

SPECIAL NOTE REGARDING EXHIBITS

In reviewing the agreements included as exhibits to this Quarterly Report on Form 10-Q, please remember they are included to provide you with information regarding their terms and are not intended to provide any other factual or disclosure information about New Residential Investment Corp. (the "Company," "New Residential" or "we," "our" and "us") or the other parties to the agreements. The agreements contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties have been made solely for the benefit of the other parties to the applicable agreement and:

- should not in all instances be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements proved to be inaccurate;
- have been qualified by disclosures that were made to the other party in connection with the negotiation of the applicable agreement, which disclosures are not necessarily reflected in the agreement;
- may apply standards of materiality in a way that is different from what may be viewed as material to you or other investors; and
- were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement and are subject to more recent developments.

Accordingly, these representations and warranties may not describe the actual state of affairs as of the date they were made or at any other time. Additional information about the Company may be found elsewhere in this Quarterly Report on Form 10-Q and the Company's other public filings, which are available without charge through the SEC's website at http://www.sec.gov.

The Company acknowledges that, notwithstanding the inclusion of the foregoing cautionary statements, it is responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this report not misleading.

NEW RESIDENTIAL INVESTMENT CORP.
FORM 10-Q

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

NEW RESIDENTIAL INVESTMENT CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED BALANCE SHEETS

(dollars in thousands)

	September 30, 2018 (Unaudited)	December 31, 2017
Assets		
Investments in:		
Excess mortgage servicing rights, at fair value	$ 467,061	$ 1,173,713
Excess mortgage servicing rights, equity method investees, at fair value	154,939	171,765
Mortgage servicing rights, at fair value	2,872,004	1,735,504
Mortgage servicing rights financing receivables, at fair value	1,681,072	598,728
Servicer advance investments, at fair value[A]	799,936	4,027,379
Real estate and other securities, available-for-sale	11,650,257	8,071,140
Residential mortgage loans, held-for-investment (includes $123,606 and $0 at fair value at September 30, 2018 and December 31, 2017, respectively)[A]	776,323	691,155
Residential mortgage loans, held-for-sale	1,996,303	1,725,534
Residential mortgage loans, held-for-sale, at fair value	524,863	—
Real estate owned	115,160	128,295
Residential mortgage loans subject to repurchase	110,181	—
Consumer loans, held-for-investment[A]	1,140,769	1,374,263
Consumer loans, equity method investees	44,787	51,412
Cash and cash equivalents[A]	330,148	295,798
Restricted cash	155,749	150,252
Servicer advances receivable	3,217,121	675,593
Trades receivable	3,424,865	1,030,850
Other assets	629,231	312,181
	$ 30,090,769	$ 22,213,562
Liabilities and Equity		
Liabilities		
Repurchase agreements	$ 14,387,020	$ 8,662,139
Notes and bonds payable (includes $117,470 and $0 at fair value at September 30, 2018 and December 31, 2017, respectively)[A]	7,254,946	7,084,391
Trades payable	1,791,191	1,169,896
Residential mortgage loans repurchase liability	110,181	—
Due to affiliates	74,135	88,961
Dividends payable	170,177	153,681
Deferred tax liability, net	3,910	19,218
Accrued expenses and other liabilities[A]	462,161	239,114
	24,253,721	17,417,400
Commitments and Contingencies		
Equity		
Common Stock, $0.01 par value, 2,000,000,000 shares authorized, 340,354,429 and 307,361,309 issued and outstanding at September 30, 2018 and December 31, 2017, respectively	3,404	3,074
Additional paid-in capital	4,256,045	3,763,188
Retained earnings	1,014,919	559,476
Accumulated other comprehensive income (loss)	468,952	364,467
Total New Residential stockholders' equity	5,743,320	4,690,205
Noncontrolling interests in equity of consolidated subsidiaries	93,728	105,957
Total Equity	5,837,048	4,796,162
	$ 30,090,769	$ 22,213,562

(A) New Residential's Condensed Consolidated Balance Sheets include the assets and liabilities of certain consolidated VIEs, Advance Purchaser LLC (the "Buyer") (Note 6), Shellpoint Asset Funding Trust 2013-1 ("SAFT 2013-1") and the Shelter retail mortgage origination joint ventures ("Shelter JVs") (Note 8) and the Consumer Loan SPVs (Note 9), which primarily hold investments in Servicer Advance Investments, residential mortgage loans and consumer loans, respectively, financed with notes and bonds payable. The balance sheets of the Buyer, SAFT 2013-1, Shelter JVs and the Consumer Loan SPVs are included in Notes 6, 8 and 9, respectively. The creditors of the Buyer, SAFT 2013-1, Shelter JVs and the Consumer Loan SPVs do not have recourse to the general credit of New Residential and the assets of the Buyer, SAFT 2013-1, Shelter JVs and the Consumer Loan SPVs are not directly available to satisfy New Residential's obligations.

See notes to condensed consolidated financial statements.

NEW RESIDENTIAL INVESTMENT CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)
(dollars in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Interest income	$ 425,524	$ 397,722	$ 1,212,902	$ 1,162,212
Interest expense	162,806	125,278	421,109	338,664
Net Interest Income	262,718	272,444	791,793	823,548
Impairment				
Other-than-temporary impairment (OTTI) on securities	3,889	1,509	23,190	8,736
Valuation and loss provision (reversal) on loans and real estate owned (REO)	5,471	26,700	28,136	65,381
	9,360	28,209	51,326	74,117
Net interest income after impairment	253,358	244,235	740,467	749,431
Servicing revenue, net	175,355	58,014	538,784	269,467
Gain on sale of originated mortgage loans, net	45,732	—	45,732	—
Other Income				
Change in fair value of investments in excess mortgage servicing rights	(4,744)	(14,291)	(55,711)	(32,650)
Change in fair value of investments in excess mortgage servicing rights, equity method investees	3,396	2,054	5,624	6,056
Change in fair value of investments in mortgage servicing rights financing receivables	(88,345)	70,232	63,628	75,828
Change in fair value of servicer advance investments	(5,353)	10,941	(86,581)	70,469
Gain (loss) on settlement of investments, net	(11,893)	1,553	106,064	1,250
Earnings from investments in consumer loans, equity method investees	4,555	6,769	12,343	12,649
Other income (loss), net	19,086	9,887	39,047	7,696
	(83,298)	87,145	84,414	141,298
Operating Expenses				
General and administrative expenses	98,587	19,919	139,169	47,788
Management fee to affiliate	15,464	14,187	46,027	41,447
Incentive compensation to affiliate	23,848	19,491	65,169	72,123
Loan servicing expense	11,060	13,690	33,609	40,068
Subservicing expense	43,148	49,773	135,703	123,435
	192,107	117,060	419,677	324,861
Income Before Income Taxes	199,040	272,334	989,720	835,335
Income tax expense (benefit)	3,563	32,613	(5,957)	121,053
Net Income	$ 195,477	$ 239,721	$ 995,677	$ 714,282
Noncontrolling Interests in Income of Consolidated Subsidiaries	$ 10,869	$ 13,600	$ 32,058	$ 45,051
Net Income Attributable to Common Stockholders	$ 184,608	$ 226,121	$ 963,619	$ 669,231
Net Income Per Share of Common Stock				
Basic	$ 0.54	$ 0.74	$ 2.87	$ 2.23
Diluted	$ 0.54	$ 0.73	$ 2.86	$ 2.21
Weighted Average Number of Shares of Common Stock Outstanding				
Basic	340,044,440	307,361,309	335,615,566	300,511,550
Diluted	340,868,403	309,207,345	337,078,824	302,357,147
Dividends Declared per Share of Common Stock	$ 0.50	$ 0.50	$ 1.50	$ 1.48

See notes to condensed consolidated financial statements.

NEW RESIDENTIAL INVESTMENT CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(dollars in thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	**2017**	**2018**	**2017**
Comprehensive income (loss), net of tax				
Net income	$ 195,477	$ 239,721	$ 995,677	$ 714,282
Other comprehensive income (loss)				
Net unrealized gain (loss) on securities	(22,445)	75,845	14,600	277,805
Reclassification of net realized (gain) loss on securities into earnings	32,626	(5,833)	89,885	(20,856)
	10,181	70,012	104,485	256,949
Total comprehensive income	$ 205,658	$ 309,733	$ 1,100,162	$ 971,231
Comprehensive income attributable to noncontrolling interests	$ 10,869	$ 13,600	$ 32,058	$ 45,051
Comprehensive income attributable to common stockholders	$ 194,789	$ 296,133	$ 1,068,104	$ 926,180

See notes to condensed consolidated financial statements.

NEW RESIDENTIAL INVESTMENT CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(dollars in thousands)

	Common Stock							
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total New Residential Stockholders' Equity	Noncontrolling Interests in Equity of Consolidated Subsidiaries	Total Equity
Equity - December 31, 2017	307,361,309	$ 3,074	$3,763,188	$ 559,476	$ 364,467	$ 4,690,205	$ 105,957	$4,796,162
Dividends declared	—	—	—	(508,176)	—	(508,176)	—	(508,176)
Capital contributions	—	—	—	—	—	—	—	—
Capital distributions	—	—	—	—	—	—	(51,735)	(51,735)
Issuance of common stock	29,241,659	292	491,312	—	—	491,604	—	491,604
Option exercise	3,694,228	37	(37)	—	—	—	—	—
Other dilution	—	—	(63)	—	—	(63)	—	(63)
Purchase of Noncontrolling Interests	—	—	627	—	—	627	7,448	8,075
Director share grants	57,233	1	1,018	—	—	1,019	—	1,019
Comprehensive income (loss)								
Net income (loss)	—	—	—	963,619	—	963,619	32,058	995,677
Net unrealized gain (loss) on securities	—	—	—	—	14,600	14,600	—	14,600
Reclassification of net realized (gain) loss on securities into earnings	—	—	—	—	89,885	89,885	—	89,885
Total comprehensive income (loss)						1,068,104	32,058	1,100,162
Equity - September 30, 2018	340,354,429	$ 3,404	$4,256,045	$1,014,919	$ 468,952	$ 5,743,320	$ 93,728	$5,837,048

NEW RESIDENTIAL INVESTMENT CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED), CONTINUED FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2018 AND 2017

(dollars in thousands)

	Common Stock							
	Shares	Amount	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total New Residential Stockholders' Equity	Noncontrolling Interests in Equity of Consolidated Subsidiaries	Total Equity
Equity - December 31, 2016	250,773,117	$ 2,507	$2,920,730	$ 210,500	$ 126,363	$ 3,260,100	$ 208,077	$3,468,177
Dividends declared	—	—	—	(454,877)	—	(454,877)	—	(454,877)
Capital contributions	—	—	—	—	—	—	—	—
Capital distributions	—	—	—	—	—	—	(70,493)	(70,493)
Issuance of common stock	56,545,787	566	833,963	—	—	834,529	—	834,529
Purchase of noncontrolling interests in the Buyer	—	—	9,183	—	—	9,183	(75,043)	(65,860)
Other dilution	—	—	(4,202)	—	—	(4,202)	—	(4,202)
Director share grants	42,405	1	698	—	—	699	—	699
Comprehensive income (loss)								
Net income (loss)	—	—	—	669,231	—	669,231	45,051	714,282
Net unrealized gain (loss) on securities	—	—	—	—	277,805	277,805	—	277,805
Reclassification of net realized (gain) loss on securities into earnings	—	—	—	—	(20,856)	(20,856)	—	(20,856)
Total comprehensive income (loss)						926,180	45,051	971,231
Equity - September 30, 2017	307,361,309	$ 3,074	$3,760,372	$ 424,854	$ 383,312	$ 4,571,612	$ 107,592	$4,679,204

See notes to condensed consolidated financial statements.

NEW RESIDENTIAL INVESTMENT CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(dollars in thousands)

	Nine Months Ended September 30,	
	2018	**2017**
Cash Flows From Operating Activities		
Net income	$ 995,677	$ 714,282
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Change in fair value of investments in excess mortgage servicing rights	55,711	32,650
Change in fair value of investments in excess mortgage servicing rights, equity method investees	(5,624)	(6,056)
Change in fair value of investments in mortgage servicing rights financing receivables	(63,628)	(75,828)
Change in fair value of servicer advance investments	86,581	(70,469)
Change in fair value of residential mortgage loans, at fair value, and notes and bonds payable, at fair value	1,462	—
(Gain) / loss on settlement of investments (net)	(106,064)	(1,250)
Earnings from investments in consumer loans, equity method investees	(12,343)	(12,649)
Unrealized (gain) / loss on derivative instruments	(27,985)	124
Unrealized (gain) / loss on other ABS	(12,001)	(340)
(Gain) / loss on transfer of loans to REO	(16,609)	(16,791)
(Gain) / loss on transfer of loans to other assets	1,648	(359)
(Gain) / loss on Excess MSRs	(5,257)	(1,948)
(Gain) / loss on Ocwen common stock	(4,655)	(6,987)
Accretion and other amortization	(528,981)	(811,922)
Other-than-temporary impairment	23,190	8,736
Valuation and loss provision on loans and real estate owned	28,136	65,381
Non-cash portions of servicing revenue, net	(35,118)	81,986
Non-cash directors' compensation	1,019	699
Deferred tax provision	(12,680)	114,016
Changes in:		
Servicer advances receivable	441,351	(7,774)
Other assets	(168,862)	(35,799)
Due to affiliates	(14,826)	32,276
Accrued expenses and other liabilities	161,246	48,442
Other operating cash flows:		
Interest received from excess mortgage servicing rights	33,521	53,067
Interest received from servicer advance investments	25,901	136,431
Interest received from Non-Agency RMBS	156,420	170,931
Interest received from residential mortgage loans, held-for-investment	6,656	5,906
Interest received from PCD consumer loans, held-for-investment	27,681	40,762
Distributions of earnings from excess mortgage servicing rights, equity method investees	7,976	11,054
Distributions of earnings from consumer loan equity method investees	6,176	4,291
Purchases of residential mortgage loans, held-for-sale	(3,295,378)	(4,146,740)
Origination of residential mortgage loans, held-for-sale	(1,678,606)	—
Proceeds from sales of purchased and originated residential mortgage loans, held-for-sale	3,706,334	2,986,992
Principal repayments from purchased residential mortgage loans, held-for-sale	146,170	69,069
Net cash provided by (used in) operating activities	(75,761)	(617,817)

Continued on next page.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED), CONTINUED
(dollars in thousands)

	Nine Months Ended September 30,	
	2018	**2017**
Cash Flows From Investing Activities		
Acquisition of Shellpoint, net of cash acquired	(118,285)	—
Purchase of servicer advance investments	(1,790,635)	(9,328,137)
Purchase of MSRs, MSR financing receivables and servicer advances receivable	(971,079)	(1,586,063)
Purchase of Agency RMBS	(6,574,783)	(6,352,488)
Purchase of Non-Agency RMBS	(2,714,991)	(2,070,898)
Purchase of residential mortgage loans	(85,778)	(585,983)
Purchase of derivatives	—	—
Purchase of real estate owned and other assets	(26,807)	(25,667)
Purchase of investment in consumer loans, equity method investees	(292,616)	(344,902)
Draws on revolving consumer loans	(45,017)	(41,930)
Payments for settlement of derivatives	(59,113)	(146,898)
Return of investments in excess mortgage servicing rights	43,690	142,626
Return of investments in excess mortgage servicing rights, equity method investees	14,474	14,157
Return of investments in consumer loans, equity method investees	279,669	276,601
Principal repayments from servicer advance investments	1,845,411	10,898,739
Principal repayments from Agency RMBS	76,515	76,744
Principal repayments from Non-Agency RMBS	565,460	615,657
Principal repayments from residential mortgage loans	110,770	59,673
Proceeds from sale of residential mortgage loans	21,278	—
Principal repayments from consumer loans	237,129	312,132
Proceeds from sale of Agency RMBS	4,121,325	6,205,573
Proceeds from sale of Non-Agency RMBS	81,325	166,460
Proceeds from settlement of derivatives	146,146	81,505
Proceeds from sale of real estate owned	111,459	63,476
Net cash provided by (used in) investing activities	(5,024,453)	(1,569,623)

Continued on next page.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED), CONTINUED
(dollars in thousands)

	Nine Months Ended September 30,	
	2018	**2017**
Cash Flows From Financing Activities		
Repayments of repurchase agreements	(58,414,966)	(34,057,218)
Margin deposits under repurchase agreements and derivatives	(1,374,374)	(820,678)
Repayments of notes and bonds payable	(7,512,484)	(7,323,512)
Payment of deferred financing fees	(12,838)	(5,702)
Common stock dividends paid	(491,680)	(416,552)
Borrowings under repurchase agreements	63,696,426	36,713,743
Return of margin deposits under repurchase agreements and derivatives	1,263,220	815,903
Borrowings under notes and bonds payable	7,547,541	6,561,390
Issuance of common stock	492,285	835,465
Costs related to issuance of common stock	(681)	(936)
Noncontrolling interest in equity of consolidated subsidiaries - contributions	—	—
Noncontrolling interest in equity of consolidated subsidiaries - distributions	(51,735)	(70,493)
Purchase of noncontrolling interests	(653)	(65,860)
Net cash provided by (used in) financing activities	5,140,061	2,165,550
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	39,847	(21,890)
Cash, Cash Equivalents, and Restricted Cash, Beginning of Period	446,050	453,697
Cash, Cash Equivalents, and Restricted Cash, End of Period	$ 485,897	$ 431,807
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for interest	$ 405,672	$ 320,804
Cash paid during the period for income taxes	3,176	4,956
Supplemental Schedule of Non-Cash Investing and Financing Activities		
Dividends declared but not paid	$ 170,177	$ 153,681
Purchase of Agency and Non-Agency RMBS, settled after quarter end	1,791,191	1,076,086
Sale of investments, primarily Agency RMBS, settled after quarter end	3,424,865	1,785,708
Transfer from residential mortgage loans to real estate owned and other assets	88,376	105,750
Non-cash distributions from LoanCo	25,739	30,337
MSR purchase price holdback	8,692	79,045
Shellpoint Acquisition purchase price holdback	10,173	—
Shellpoint Acquisition contingent consideration	42,770	—
Real estate securities retained from loan securitizations	762,056	310,579
Residential mortgage loans subject to repurchase	110,181	—
Ocwen transaction (Note 5) - excess mortgage servicing rights	638,567	23,080
Ocwen transaction (Note 5) - servicer advance investments	3,175,891	71,982
Ocwen transaction (Note 5) - mortgage servicing rights financing receivables	1,017,993	481,220

See notes to condensed consolidated financial statements.

1. ORGANIZATION AND BASIS OF PRESENTATION

New Residential Investment Corp. (together with its subsidiaries, "New Residential") is a Delaware corporation that was formed as a limited liability company in September 2011 for the purpose of making real estate related investments and commenced operations on December 8, 2011. New Residential is an independent publicly traded real estate investment trust ("REIT") primarily focused on investing in residential mortgage related assets. New Residential is listed on the New York Stock Exchange ("NYSE") under the symbol "NRZ."

New Residential has elected and intends to qualify to be taxed as a REIT for U.S. federal income tax purposes. As such, New Residential will generally not be subject to U.S. federal corporate income tax on that portion of its net income that is distributed to stockholders if it distributes at least 90% of its REIT taxable income to its stockholders by prescribed dates and complies with various other requirements. See Note 17 regarding New Residential's taxable REIT subsidiaries.

New Residential has entered into a management agreement (the "Management Agreement") with FIG LLC (the "Manager"), an affiliate of Fortress Investment Group LLC ("Fortress"), pursuant to which the Manager provides a management team and other professionals who are responsible for implementing New Residential's business strategy, subject to the supervision of New Residential's board of directors. For its services, the Manager is entitled to management fees and incentive compensation, both defined in, and in accordance with the terms of, the Management Agreement. The Manager also manages investment funds that until June 2018, owned a majority of the outstanding common stock of OneMain Holdings, Inc. (formerly Springleaf Holdings, Inc.) (together with its subsidiaries, "OneMain"), former managing member of the Consumer Loan Companies (Note 9). The Manager also manages investment funds that until August 2, 2018, indirectly owned approximately 40.5% of the outstanding interests in Nationstar Mortgage LLC ("Nationstar"), a leading residential mortgage servicer. As of September 30, 2018, such ownership of the outstanding interests in Nationstar, through ownership of its parent, WMIH Corp. ("WMIH"), was limited to 2.5%.

As of September 30, 2018, New Residential conducted its business through the following segments: (i) Servicing and Originations, (ii) Residential Securities and Loans, (iii) Consumer Loans and (iv) Corporate.

Approximately 0.5 million shares of New Residential's common stock were held by Fortress, through its affiliates, as of September 30, 2018. In addition, Fortress, through its affiliates, held options relating to approximately 4.1 million shares of New Residential's common stock as of September 30, 2018.

Interim Financial Statements

The accompanying condensed consolidated financial statements and related notes of New Residential have been prepared in accordance with accounting principles generally accepted in the United States for interim financial reporting and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, certain information and note disclosures normally included in financial statements prepared under U.S. generally accepted accounting principles have been condensed or omitted. In the opinion of management, all adjustments considered necessary for a fair presentation of New Residential's financial position, results of operations and cash flows have been included and are of a normal and recurring nature. The operating results presented for interim periods are not necessarily indicative of the results that may be expected for any other interim period or for the entire year. These condensed consolidated financial statements should be read in conjunction with New Residential's consolidated financial statements for the year ended December 31, 2017 and notes thereto included in New Residential's Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC"). Capitalized terms used herein, and not otherwise defined, are defined in New Residential's consolidated financial statements for the year ended December 31, 2017. Certain prior period amounts have been reclassified to conform to the current period's presentation.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, *Revenues from Contracts with Customers (Topic 606)*. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In effect, companies are required to exercise further judgment and

make more estimates prospectively. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. ASU No. 2014-09 was effective for New Residential in the first quarter of 2018. New Residential has evaluated the new guidance and determined that interest income, gains and losses on financial instruments and income from servicing residential mortgage loans are outside the scope of ASC No. 606. For income from servicing residential mortgage loans, New Residential considered that the FASB Transition Resource Group members generally agreed that an entity should look to ASC No. 860, Transfers and Servicing, to determine the appropriate accounting for these fees and ASC No. 606 contains a scope exception for contracts that fall under ASC No. 860. In addition, NRM determined that ancillary income generated from services for mortgage loans and REO properties represent servicing fees due to a servicer, through contractual terms, that would no longer be received by a servicer if the owners of the serviced loans were to exercise their authority to shift the servicing to another servicer and, therefore, similarly fall under ASC No. 860. Finally, New Residential determined that fee income on residential mortgage loan originations is outside the scope of ASC No. 606 as it continues to be accounted for in accordance with ASC 948. As a result, the adoption of ASU No. 2014-09 did not have a material impact on the condensed consolidated financial statements.

In January 2016, the FASB issued ASU No. 2016-01, *Financial Instruments - Overall (Subtopic 825-10) - Recognition and Measurement of Financial Assets and Financial Liabilities.* The standard: (i) requires that certain equity investments be measured at fair value, and modifies the assessment of impairment for certain other equity investments, (ii) changes certain disclosure requirements related to the fair value of financial instruments measured at amortized cost, (iii) changes certain disclosure requirements related to liabilities measured at fair value, (iv) requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset, and (v) clarifies that an entity should evaluate the need for a valuation allowance on a deferred tax asset related to available-for-sale securities in combination with the entity's other deferred tax assets. ASU No. 2016-01 was effective for New Residential in the first quarter of 2018. The adoption of ASU No. 2016-01 did not have a material impact on the condensed consolidated financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The standard requires that lessees recognize a right-of-use asset and corresponding lease liability on the balance sheet for most leases. The guidance applied by a lessor under ASU No. 2016-02 is substantially similar to existing GAAP. ASU No. 2016-02 is effective for New Residential in the first quarter of 2019. Early adoption is permitted upon issuance. An entity should apply ASU No. 2016-02 by means of a modified retrospective transition method for all leases existing at, or entered into after, the date of initial application. The adoption of ASU No. 2016-02 is not expected to have a material impact on the condensed consolidated financial statements.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments*. The standard requires that a financial asset measured at amortized cost basis be presented at the net amount expected to be collected, net of an allowance for all expected (rather than incurred) credit losses. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions, and reasonable and supportable forecasts that affect the collectibility of the reported amount. The standard also changes the accounting for purchased credit deteriorated assets and available-for-sale securities, which will require the recognition of credit losses through a valuation allowance when fair value is less than amortized cost, regardless of whether the impairment is considered to be other-than-temporary. ASU No. 2016-13 is effective for New Residential in the first quarter of 2020. Early adoption is permitted beginning in 2019. An entity should apply ASU No. 2016-13 by means of a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. New Residential is currently evaluating the new guidance to determine the impact it may have on its condensed consolidated financial statements, which at the date of adoption is expected to increase the allowance for credit losses with a resulting negative adjustment to retained earnings.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740) - Intra-Entity Transfers of Assets Other Than Inventory*. The standard requires recognition of the income tax consequences of an intra-entity transfer of an asset other than inventory when the transfer occurs. ASU No. 2016-16 was effective for New Residential in the first quarter of 2018. The adoption of ASU No. 2016-16 did not have a material impact on the condensed consolidated financial statements.

In January 2017, the FASB issued ASU No. 2017-04, *Simplifying the Test for Goodwill Impairment (Topic 805)*. The standard simplifies the accounting for goodwill impairment for all entities by requiring impairment charges to be based on the first step in the current two-step impairment test. Under the new guidance, an impairment charge, if triggered, is calculated as the difference between a reporting unit's carrying value and fair value, but it is limited to the carrying value of goodwill. ASU No. 2017-04 is effective for New Residential in the first quarter of 2020 and early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The adoption of ASU No. 2017-04 is not expected to have a material impact on the condensed consolidated financial statements.

In August 2018, the FASB issued ASU No. 2018-13, Fair Value Measurement (Topic 820). The standard: (i) adds incremental requirements for entities to disclose (a) the amount of total gains or losses for the period recognized in other comprehensive income that is attributable to fair value changes in assets and liabilities held as of the balance sheet date and categorized within Level 3 of the fair value hierarchy, (b) the range and weighted average used to develop significant unobservable inputs and (c) how the weighted average was calculated for fair value measurements categorized within Level 3 of the fair value hierarchy and (ii) eliminates disclosure requirements for (a) transfers between Level 1 and Level 2 and (b) valuation processes for Level 3 fair value measurements. ASU No. 2018-13 is effective for New Residential in the first quarter of 2020. The adoption of ASU No. 2018-13 is not expected to have a material impact on the condensed consolidated financial statements.

Acquisition of Shellpoint Partners LLC

On November 29, 2017, NRM Acquisition LLC (the "Shellpoint Purchaser"), a Delaware limited liability company and a wholly owned subsidiary of New Residential, entered into a Securities Purchase Agreement (the "Shellpoint SPA") to acquire Shellpoint Partners LLC, a Delaware limited liability company ("Shellpoint").

On July 3, 2018, the Shellpoint Purchaser acquired 100% of the outstanding equity interests of Shellpoint for a purchase price of $212.3 million (the "Shellpoint Acquisition"). As additional consideration for the Shellpoint Acquisition, the Shellpoint Purchaser may make up to three cash earnout payments, which will be calculated following each of the first three anniversaries of the Shellpoint closing as a percentage of the amount by which the pre-tax income of certain of Shellpoint's businesses exceeds certain specified thresholds, up to an aggregate maximum amount of $60.0 million (the "Shellpoint Earnout Payments"). The Shellpoint Earnout Payments are classified as contingent consideration recorded at fair value at the acquisition date and included in the total consideration transferred for the Shellpoint Acquisition.

Shellpoint is a vertically integrated mortgage platform with established origination and servicing capabilities and provides New Residential with in-house servicing, asset origination and recapture capabilities. The results of Shellpoint's operations have been included in the Company's condensed consolidated statements of income for the three and nine months ended September 30, 2018 from the date of the acquisition and represent $97.0 million and $11.7 million of revenue and net income, respectively.

The acquisition date fair value of the consideration transferred includes $212.3 million in cash consideration, $42.8 million in contingent consideration and $180.3 million in effective settlement of preexisting relationships. The total consideration is summarized as follows:

Total Consideration	**Amount**
Cash Consideration	$ 212.3
Earnout Payment[(A)]	42.8
Effective Settlement of Preexisting Relationships[(B)]	180.3
Total Consideration	**$ 435.4**

(A) The range of outcomes for this contingent consideration is from $0 to $60.0 million, dependent on the performance of Shellpoint. New Residential derived a fair value of the contingent consideration payment in three years of $48.7 million inclusive of payments to Shellpoint employees of $5.9 million. Contingent payments to the long-term employee incentive plans require continuing employment and will be recognized as compensation expense within General and Administrative expenses in the post-acquisition consolidated financial statements separate from New Residential's acquisition of assets and assumption of liabilities in the business combination. As a result, New Residential recorded contingent consideration of $42.8 million.

(B) Represents the effective settlement of preexisting relationships between New Residential and Shellpoint including 1) MSR acquisitions, 2) a note payable and 3) operating accounts receivable and payable existing prior to the acquisition date. The effective settlement of these preexisting relationships had no impact to New Residential's condensed consolidated statements of income.

New Residential has performed a preliminary allocation of the total consideration of $435.4 million to Shellpoint's assets and liabilities, as set forth below. The final amount and allocation of total consideration may differ from the amounts included herein to reflect new information obtained primarily relating to the valuation of contingent consideration and intangible assets that existed as of the acquisition date.

Total Consideration ($ in millions)	**$**	**435.4**
Assets		
Cash and cash equivalents	$	84.1
Restricted cash		9.9
Residential mortgage loans, held-for-sale, at fair value		488.2
Mortgage servicing rights, at fair value[(A)]		286.6
Residential mortgage loans, held-for-investment, at fair value		125.3
Residential mortgage loans subject to repurchase		121.4
Intangible assets		4.3
Other assets		81.1
Total Assets Acquired	**$**	**1,200.9**
Liabilities		
Repurchase agreements	$	439.6
Notes and bonds payable		25.4
Mortgage-backed securities issued, at fair value		120.7
Residential mortgage loans repurchase liability		121.4
Excess spread financing, at fair value		48.3
Accrued expenses and other liabilities		50.7
Total Liabilities Assumed	**$**	**806.1**
Noncontrolling Interest	**$**	**8.3**
Net Assets	**$**	**386.5**
Goodwill	**$**	**48.9**

(A) Includes $135.3 million of Ginnie Mae MSRs where New Residential acquired the rights to the economic value of the servicing rights from Shellpoint prior to the acquisition date.

The goodwill of $48.9 million primarily includes the synergies and benefits expected to result from combining operations with Shellpoint and adding in-house servicing, asset origination and recapture capabilities. The full amount of goodwill for tax purposes of $46.7 million is expected to be deductible. New Residential will assess the goodwill annually on October 1 and in interim periods in case of events or circumstances make it more likely than not that an impairment may have occurred.

Certain transactions were recognized separately from New Residential's acquisition of assets and assumption of liabilities in the business combination. These separately recognized transactions include 1) contingent payments to Shellpoint's employees and 2) effective settlement of preexisting relationships discussed above.

Unaudited Supplemental Pro Forma Financial Information — The following table presents unaudited pro forma combined Servicing and Originations Revenue, which is comprised of 1) servicing revenue, net and 2) gain on sale of originated mortgage loans, net, and Income Before Income Taxes for the three and nine months ended September 30, 2018 and 2017 prepared as if the Shellpoint Acquisition had been consummated on January 1, 2017.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Pro Forma				
Servicing and Originations Revenue	$ 221,087	$ 141,002	$ 710,742	$ 513,076
Income Before Income Taxes	199,040	278,274	1,006,743	850,509

The unaudited supplemental pro forma financial information has not been adjusted for transactions other than the Shellpoint Acquisition, or for the conforming of accounting policies. The unaudited supplemental pro forma financial information does not include any anticipated synergies or other anticipated benefits of the Shellpoint Acquisition and, accordingly, the unaudited supplemental pro forma financial information is not necessarily indicative of either future results of operations or results that might have been achieved had the Shellpoint Acquisition occurred on January 1, 2017.

2. OTHER INCOME, ASSETS AND LIABILITIES

Gain (loss) on settlement of investments, net is comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Gain (loss) on sale of real estate securities, net	$ (28,737)	$ 7,342	$ (66,695)	$ 29,592
Gain (loss) on sale of acquired residential mortgage loans, net	4,065	9,029	(1,358)	37,967
Gain (loss) on settlement of derivatives	19,459	(18,756)	76,092	(58,326)
Gain (loss) on liquidated residential mortgage loans	(1,113)	(2,152)	(2,267)	(7,996)
Gain (loss) on sale of REO	(4,971)	(1,864)	(12,114)	(7,176)
Gains reclassified from change in fair value of investments in excess MSRs and servicer advance investments	—	11,320	113,002	11,320
Other gains (losses)	(596)	(3,366)	(596)	(4,131)
	$ (11,893)	$ 1,553	$ 106,064	$ 1,250

Other income (loss), net, is comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Unrealized gain (loss) on derivative instruments	$ 24,299	$ 3,560	$ 27,985	$ (124)
Unrealized gain (loss) on other ABS	7,197	189	12,001	340
Unrealized gain (loss) on residential mortgage loans, held-for-investment, at fair value	647	—	647	—
Unrealized gain (loss) on notes and bonds payable	900	—	900	—
Gain (loss) on transfer of loans to REO	6,119	5,179	16,609	16,791
Gain (loss) on transfer of loans to other assets	(1,528)	66	(1,648)	359
Gain (loss) on Excess MSRs	987	606	5,257	1,948
Gain (loss) on Ocwen common stock	(145)	6,987	4,655	6,987
Other income (loss)	(19,390)	(6,700)	(27,359)	(18,605)
	$ 19,086	$ 9,887	$ 39,047	$ 7,696

Other assets and liabilities are comprised of the following:

	Other Assets			Accrued Expenses and Other Liabilities	
	September 30, 2018	December 31, 2017		September 30, 2018	December 31, 2017
Margin receivable, net	$ 163,357	$ 53,150	Interest payable	$ 38,284	$ 28,821
Other receivables	23,023	10,635	Accounts payable	109,852	73,017
Principal and interest receivable	66,283	48,373	Derivative liabilities (Note 10)	2,294	697
Receivable from government agency	20,158	41,429	Due to servicers	73,524	24,571
Call rights	290	327	MSR purchase price holdback	109,982	101,290
Derivative assets (Note 10)	27,212	2,423	Excess spread financing, at fair value	44,374	—
Servicing fee receivables	76,815	60,520	Contingent Consideration	42,770	—
Ginnie Mae EBO servicer advances receivable, net	934	8,916	Reserve for sales recourse	6,214	—
Due from servicers	74,539	38,601	Other liabilities	34,867	10,718
Goodwill	48,921	—		$ 462,161	$ 239,114
Intangible assets	4,308	—			
Ocwen common stock, at fair value	23,876	19,259			
Prepaid expenses	13,976	7,308			
Other assets	85,539	21,240			
	$ 629,231	$ 312,181			

As reflected on the Condensed Consolidated Statements of Cash Flows, accretion and other amortization is comprised of the following:

	Nine Months Ended September 30,	
	2018	2017
Accretion of servicer advances receivable discount and servicer advance investments	$ 207,428	$ 451,824
Accretion of excess mortgage servicing rights income	32,371	75,237
Accretion of net discount on securities and loans[(A)]	296,961	295,753
Amortization of deferred financing costs	(6,180)	(9,525)
Amortization of discount on notes and bonds payable	(1,599)	(1,367)
	$ 528,981	$ 811,922

(A) Includes accretion of the accretable yield on PCD loans.

3. SEGMENT REPORTING

New Residential conducts its business through the following segments: (i) Servicing and Originations, (ii) Residential Securities and Loans, (iii) Consumer Loans and (iv) Corporate. The corporate segment consists primarily of (i) general and administrative expenses, (ii) the management fees and incentive compensation related to the Management Agreement and (iii) corporate cash and related interest income. Securities owned by New Residential (Note 7) that are collateralized by servicer advances and consumer loans are included in the Servicing and Originations and Consumer Loans segments, respectively. Secured corporate loans effectively collateralized by Excess MSRs are included in the Servicing and Originations segment.

During the third quarter of 2018, New Residential changed the composition of its reportable segments primarily to reflect the (i) aggregation of the similar MSR, Excess MSR and Servicer Advance segments as the new Servicing and Originations segment and (ii) incorporation of the Shellpoint Acquisition. Segment information for prior periods has been restated to reflect this change.

Summary financial data on New Residential's segments is given below, together with a reconciliation to the same data for New Residential as a whole:

		Residential Securities and Loans				
	Servicing and Originations	Real Estate Securities	Residential Mortgage Loans	Consumer Loans	Corporate	Total
Three Months Ended September 30, 2018						
Interest income	$ 193,424	$ 138,197	$ 42,942	$ 50,961	$ —	$ 425,524
Interest expense	62,994	67,117	22,374	10,321	—	162,806
Net interest income (expense)	130,430	71,080	20,568	40,640	—	262,718
Impairment	—	3,889	(4,436)	9,907	—	9,360
Servicing revenue, net	175,355	—	—	—	—	175,355
Gain on sale of originated mortgage loans, net	45,732	—	—	—	—	45,732
Other income (loss)	(92,243)	17,994	(12,729)	3,795	(115)	(83,298)
Operating expenses	132,542	63	6,436	8,467	44,599	192,107
Income (Loss) Before Income Taxes	126,732	85,122	5,839	26,061	(44,714)	199,040
Income tax expense (benefit)	495	—	3,100	(32)	—	3,563
Net Income (Loss)	$ 126,237	$ 85,122	$ 2,739	$ 26,093	$ (44,714)	$ 195,477
Noncontrolling interests in income (loss) of consolidated subsidiaries	$ 1,086	$ —	$ —	$ 9,783	$ —	$ 10,869
Net income (loss) attributable to common stockholders	$ 125,151	$ 85,122	$ 2,739	$ 16,310	$ (44,714)	$ 184,608

		Residential Securities and Loans				
	Servicing and Originations	Real Estate Securities	Residential Mortgage Loans	Consumer Loans	Corporate	Total
Nine Months Ended September 30, 2018						
Interest income	$ 579,824	$ 354,922	$ 118,019	$ 158,631	$ 1,506	$1,212,902
Interest expense	173,759	157,195	57,299	32,856	—	421,109
Net interest income (expense)	406,065	197,727	60,720	125,775	1,506	791,793
Impairment	—	23,190	(8,683)	36,819	—	51,326
Servicing revenue, net	538,784	—	—	—	—	538,784
Gain on sale of originated mortgage loans, net	45,732	—	—	—	—	45,732
Other income (loss)	48,128	45,346	(27,219)	13,363	4,796	84,414
Operating expenses	235,417	1,003	25,658	26,743	130,856	419,677
Income (Loss) Before Income Taxes	803,292	218,880	16,526	75,576	(124,554)	989,720
Income tax expense (benefit)	(6,458)	—	289	212	—	(5,957)
Net Income (Loss)	$ 809,750	$ 218,880	$ 16,237	$ 75,364	$ (124,554)	$ 995,677
Noncontrolling interests in income (loss) of consolidated subsidiaries	$ 3,525	$ —	$ —	$ 28,533	$ —	$ 32,058
Net income (loss) attributable to common stockholders	$ 806,225	$ 218,880	$ 16,237	$ 46,831	$ (124,554)	$ 963,619

		Residential Securities and Loans				
	Servicing and Originations	Real Estate Securities	Residential Mortgage Loans	Consumer Loans	Corporate	Total
September 30, 2018						
Investments	$ 6,722,697	$ 11,650,257	$ 2,775,145	$1,185,556	$ —	$ 22,333,655
Cash and cash equivalents	260,353	2,841	3,764	22,050	41,140	330,148
Restricted cash	119,243	—	—	36,506	—	155,749
Other assets	3,411,968	3,631,769	48,846	42,855	86,858	7,222,296
Goodwill	48,921	—	—	—	—	48,921
Total assets	$ 10,563,182	$ 15,284,867	$ 2,827,755	$1,286,967	$ 127,998	$ 30,090,769
Debt	$ 6,824,326	$ 11,423,562	$ 2,291,314	$1,102,764	$ —	$ 21,641,966
Other liabilities	476,430	1,839,578	33,977	10,662	251,108	2,611,755
Total liabilities	7,300,756	13,263,140	2,325,291	1,113,426	251,108	24,253,721
Total equity	3,262,426	2,021,727	502,464	173,541	(123,110)	5,837,048
Noncontrolling interests in equity of consolidated subsidiaries	62,480	—	—	31,248	—	93,728
Total New Residential stockholders' equity	$ 3,199,946	$ 2,021,727	$ 502,464	$ 142,293	$ (123,110)	$ 5,743,320
Investments in equity method investees	$ 154,939	$ —	$ —	$ 44,787	$ —	$ 199,726

		Residential Securities and Loans				
	Servicing and Originations	Real Estate Securities	Residential Mortgage Loans	Consumer Loans	Corporate	Total
Three Months Ended September 30, 2017						
Interest income	$ 188,194	$ 114,181	$ 31,645	$ 63,527	$ 175	$ 397,722
Interest expense	61,418	35,211	15,487	13,162	—	125,278
Net interest income (expense)	126,776	78,970	16,158	50,365	175	272,444
Impairment	—	1,509	14,099	12,601	—	28,209
Servicing revenue, net	58,014	—	—	—	—	58,014
Gain on sale of originated mortgage loans, net	—	—	—	—	—	—
Other income (loss)	76,745	(6,035)	2,653	6,796	6,986	87,145
Operating expenses	54,998	351	9,759	10,764	41,188	117,060
Income (Loss) Before Income Taxes	206,537	71,075	(5,047)	33,796	(34,027)	272,334
Income tax expense (benefit)	42,253	—	(9,640)	—	—	32,613
Net Income (Loss)	$ 164,284	$ 71,075	$ 4,593	$ 33,796	$ (34,027)	$ 239,721
Noncontrolling interests in income (loss) of consolidated subsidiaries	$ 1,224	$ —	$ —	$ 12,376	$ —	$ 13,600
Net income (loss) attributable to common stockholders	$ 163,060	$ 71,075	$ 4,593	$ 21,420	$ (34,027)	$ 226,121

	Servicing and Originations	Residential Securities and Loans: Real Estate Securities	Residential Securities and Loans: Residential Mortgage Loans	Consumer Loans	Corporate	Total
Nine Months Ended September 30, 2017						
Interest income	$ 561,312	$ 321,464	$ 75,276	$ 203,631	$ 529	$ 1,162,212
Interest expense	176,678	85,663	34,655	41,668	—	338,664
Net interest income (expense)	384,634	235,801	40,621	161,963	529	823,548
Impairment	—	8,736	17,342	48,039	—	74,117
Servicing revenue, net	269,467	—	—	—	—	269,467
Gain on sale of originated mortgage loans, net	—	—	—	—	—	—
Other income (loss)	126,114	(27,005)	22,491	12,712	6,986	141,298
Operating expenses	135,666	979	24,018	33,746	130,452	324,861
Income (Loss) Before Income Taxes	644,549	199,081	21,752	92,890	(122,937)	835,335
Income tax expense (benefit)	128,047	—	(7,164)	170	—	121,053
Net Income (Loss)	$ 516,502	$ 199,081	$ 28,916	$ 92,720	$ (122,937)	$ 714,282
Noncontrolling interests in income (loss) of consolidated subsidiaries	$ 10,372	$ —	$ —	$ 34,679	$ —	$ 45,051
Net income (loss) attributable to common stockholders	$ 506,130	$ 199,081	$ 28,916	$ 58,041	$ (122,937)	$ 669,231

4. INVESTMENTS IN EXCESS MORTGAGE SERVICING RIGHTS

The following table presents activity related to the carrying value of New Residential's direct investments in Excess MSRs:

	Servicer			
	Nationstar	SLS[A]	Ocwen[B]	Total
Balance as of December 31, 2017	$ 532,233	$ 2,913	$ 638,567	$ 1,173,713
Purchases	—	—	—	—
Interest income	32,357	14	—	32,371
Other income	4,601	—	—	4,601
Proceeds from repayments	(76,888)	(495)	—	(77,383)
Proceeds from sales	(12,380)	—	—	(12,380)
Change in fair value	(15,420)	126	(40,417)	(55,711)
New Ocwen Agreements (Note 5)	—	—	(598,150)	(598,150)
Balance as of September 30, 2018	$ 464,503	$ 2,558	$ —	$ 467,061

(A) Specialized Loan Servicing LLC ("SLS").

(B) Ocwen Loan Servicing LLC, a subsidiary of Ocwen Financial Corporation (together with its subsidiaries, including Ocwen Loan Servicing LLC, "Ocwen"), services the loans underlying the Excess MSRs and Servicer Advance Investments acquired from HLSS.

In January 2018, New Residential entered into the New Ocwen Agreements as described in Note 5. Subsequent to the New Ocwen Agreements, the Excess MSRs serviced by Ocwen became reclassified, as described in Note 5.

Nationstar, SLS, or Ocwen, as applicable, as servicer, performs all of the servicing and advancing functions, and retains the ancillary income, servicing obligations and liabilities as the servicer of the underlying loans in the portfolio.

New Residential has entered into a "recapture agreement" with respect to each of the Excess MSR investments serviced by Nationstar and SLS. Under such arrangements, New Residential is generally entitled to a pro rata interest in the Excess MSRs on any initial or subsequent refinancing by Nationstar of a loan in the original portfolio. These recapture agreements do not apply to New Residential's Servicer Advance Investments (Note 6).

New Residential elected to record its investments in Excess MSRs at fair value pursuant to the fair value option for financial instruments in order to provide users of the financial statements with better information regarding the effects of prepayment risk and other market factors on the Excess MSRs.

The following is a summary of New Residential's direct investments in Excess MSRs:

	September 30, 2018							December 31, 2017
	UPB of Underlying Mortgages	Interest in Excess MSR			Weighted Average Life Years[A]	Amortized Cost Basis[B]	Carrying Value[C]	Carrying Value[C]
		New Residential[D]	Fortress-managed funds	Nationstar				
Agency								
Original and Recaptured Pools	$ 55,677,339	32.5% - 66.7% (53.3%)	0.0% - 40.0%	20.0% - 35.0%	5.6	$ 215,972	$ 242,655	$ 280,033
Recapture Agreements	—	32.5% - 66.7% (53.3%)	0.0% - 40.0%	20.0% - 35.0%	12.9	15,930	31,198	44,603
	55,677,339				6.1	231,902	273,853	324,636
Non-Agency[E]								
Nationstar and SLS Serviced:								
Original and Recaptured Pools	$ 56,376,994	33.3% - 100.0% (59.4%)	0.0% - 50.0%	0.0% - 33.3%	5.8	$ 140,698	$ 174,680	$ 190,696
Recapture Agreements	—	33.3% - 100.0% (59.4%)	0.0% - 50.0%	0.0% - 33.3%	12.7	4,983	18,528	19,814
Ocwen Serviced Pools	—	—%	—%	—%	—	—	—	638,567
	56,376,994				6.0	145,681	193,208	849,077
Total	$ 112,054,333				6.1	$ 377,583	$ 467,061	$ 1,173,713

(A) Weighted Average Life represents the weighted average expected timing of the receipt of expected cash flows for this investment.

(B) The amortized cost basis of the recapture agreements is determined based on the relative fair values of the recapture agreements and related Excess MSRs at the time they were acquired.

(C) Carrying Value represents the fair value of the pools or recapture agreements, as applicable.

(D) Amounts in parentheses represent weighted averages.

(E) New Residential also invested in related Servicer Advance Investments, including the basic fee component of the related MSR as of September 30, 2018 (Note 6) on $42.3 billion UPB underlying these Excess MSRs.

Changes in fair value recorded in other income is comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Original and Recaptured Pools	$ (851)	$ (12,047)	$ (46,540)	$ (41,032)
Recapture Agreements	(3,893)	(2,244)	(9,171)	8,382
	$ (4,744)	$ (14,291)	$ (55,711)	$ (32,650)

As of September 30, 2018, a weighted average discount rate of 8.8% was used to value New Residential's investments in Excess MSRs (directly and through equity method investees).

New Residential entered into investments in joint ventures ("Excess MSR joint ventures") jointly controlled by New Residential and Fortress-managed funds investing in Excess MSRs. New Residential elected to record these investments at fair value pursuant to the fair value option for financial instruments to provide users of the financial statements with better information regarding the effects of prepayment risk and other market factors.

The following tables summarize the financial results of the Excess MSR joint ventures, accounted for as equity method investees, held by New Residential:

	September 30, 2018	December 31, 2017
Excess MSR assets	$ 284,957	$ 321,197
Other assets	25,607	22,333
Other liabilities	(687)	—
Equity	$ 309,877	$ 343,530
New Residential's investment	$ 154,939	$ 171,765
New Residential's ownership	50.0%	50.0%

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Interest income	$ 8,935	$ 6,969	$ 21,026	$ 20,083
Other income (loss)	(2,143)	(2,843)	(9,778)	(7,908)
Expenses	—	(18)	—	(63)
Net income (loss)	$ 6,792	$ 4,108	$ 11,248	$ 12,112

New Residential's investments in equity method investees changed during the nine months ended September 30, 2018 as follows:

Balance at December 31, 2017	$ 171,765
Contributions to equity method investees	—
Distributions of earnings from equity method investees	(7,976)
Distributions of capital from equity method investees	(14,474)
Change in fair value of investments in equity method investees	5,624
Balance at September 30, 2018	$ 154,939

The following is a summary of New Residential's Excess MSR investments made through equity method investees:

	September 30, 2018					
	Unpaid Principal Balance	Investee Interest in Excess MSR[A]	New Residential Interest in Investees	Amortized Cost Basis[B]	Carrying Value[C]	Weighted Average Life (Years)[D]
Agency						
Original and Recaptured Pools	$ 44,239,405	66.7%	50.0%	$ 189,567	$ 245,562	5.6
Recapture Agreements	—	66.7%	50.0%	20,566	39,395	12.8
Total	$ 44,239,405			$ 210,133	$ 284,957	6.3

(A) The remaining interests are held by Nationstar.

(B) Represents the amortized cost basis of the equity method investees in which New Residential holds a 50% interest. The amortized cost basis of the recapture agreements is determined based on the relative fair values of the recapture agreements and related Excess MSRs at the time they were acquired.

(C) Represents the carrying value of the Excess MSRs held in equity method investees, in which New Residential holds a 50% interest. Carrying value represents the fair value of the pools or recapture agreements, as applicable.

(D) The weighted average life represents the weighted average expected timing of the receipt of cash flows of each investment.

The table below summarizes the geographic distribution of the underlying residential mortgage loans of the Excess MSR investments:

	Aggregate Direct and Equity Method Investees	
	Percentage of Total Outstanding Unpaid Principal Amount	
State Concentration	September 30, 2018	December 31, 2017
California	24.8 %	24.0 %
Florida	8.0 %	8.7 %
New York	6.6 %	8.5 %
Texas	4.5 %	4.6 %
New Jersey	3.9 %	4.1 %
Maryland	3.8 %	3.7 %
Illinois	3.6 %	3.5 %
Georgia	3.5 %	3.1 %
Virginia	3.3 %	3.0 %
Arizona	2.6 %	2.5 %
Washington	2.6 %	2.4 %
Pennsylvania	2.5 %	2.6 %
Other U.S.	30.3 %	29.3 %
	100.0 %	100.0 %

Geographic concentrations of investments expose New Residential to the risk of economic downturns within the relevant states. Any such downturn in a state where New Residential holds significant investments could affect the underlying borrower's ability to make mortgage payments and therefore could have a meaningful, negative impact on the Excess MSRs.

See Note 11 regarding the financing of Excess MSRs.

5. INVESTMENTS IN MORTGAGE SERVICING RIGHTS AND MORTGAGE SERVICING RIGHTS FINANCING RECEIVABLES

Mortgage Servicing Rights

In 2016, a subsidiary of New Residential, New Residential Mortgage LLC ("NRM"), became a licensed or otherwise eligible mortgage servicer. NRM is presently licensed or otherwise eligible to hold MSRs in all states within the United States and the District of Columbia. Additionally, NRM has received approval from the Federal Housing Administration ("FHA") to hold MSRs associated with FHA-insured mortgage loans, from the Federal National Mortgage Association ("Fannie Mae") to hold MSRs associated with loans owned by Fannie Mae, and from the Federal Home Loan Mortgage Corporation ("Freddie Mac") to hold MSRs associated with loans owned by Freddie Mac. Fannie Mae and Freddie Mac are collectively referred to as the Government Sponsored Enterprises ("GSEs"). As an approved Fannie Mae Servicer, Freddie Mac Servicer and FHA-approved mortgagee, NRM is required to conduct aspects of its operations in accordance with applicable policies and guidelines published by FHA, Fannie Mae and Freddie Mac in order to maintain those approvals. NRM engages third party licensed mortgage servicers as subservicers to perform the operational servicing duties in connection with the MSRs it acquires, in exchange for a subservicing fee which is recorded as "Subservicing expense" on New Residential's Condensed Consolidated Statements of Income. As of September 30, 2018, these subservicers include Nationstar, Ocwen, Ditech Financial LLC ("Ditech"), PHH Mortgage Corporation ("PHH"), and Flagstar, which subservice 25.7%, 24.0%, 21.8%, 11.5%, and 0.6% of the underlying UPB of the related mortgages, respectively (includes both Mortgage Servicing Rights and Mortgage Servicing Rights Financing Receivables).

New Residential has entered into recapture agreements with respect to each of its MSR investments subserviced by Ditech and Nationstar. Under the recapture agreements, New Residential is generally entitled to the MSRs on any initial or subsequent refinancing by Ditech or Nationstar of a loan in the original portfolios.

Shellpoint

On November 29, 2017, concurrently with the Shellpoint Purchaser's entry into the Shellpoint SPA with Shellpoint, NRM entered into (i) a Bulk Agreement for the Purchase and Sale of Mortgage Servicing Rights (the "Shellpoint MSR Purchase Agreement") with New Penn Financial LLC ("New Penn"), a Delaware limited liability company and a wholly owned subsidiary of Shellpoint, pursuant to which NRM has agreed to purchase from New Penn the mortgage servicing rights relating to a portfolio of Fannie Mae and Freddie Mac mortgage loans having an aggregate UPB of approximately $7.8 billion for a purchase price of approximately $81.0 million (the "Shellpoint MSR Purchase"), which closed on January 16, 2018, and (ii) a Subservicing Agreement (the "Shellpoint Subservicing Agreement") with New Penn, pursuant to which New Penn has agreed to subservice Fannie Mae and Freddie Mac mortgage loans for which NRM has acquired the right to service such loans. Under the Shellpoint Subservicing Agreement, New Penn is entitled to certain monthly and other servicing compensation, and both NRM and New Penn may terminate the Shellpoint Subservicing Agreement, subject to certain specified terms, notice periods and other requirements.

During the first and second quarters of 2018, New Residential entered into several transactions with New Penn to acquire the rights to the economic value of the servicing rights related to MSRs owned by New Penn with respect to certain mortgage loans guaranteed by Ginnie Mae, together with existing servicer advances and the obligation to fund future servicer advances. New Residential acquired these economic rights related to approximately $11.4 billion UPB of Ginnie Mae guaranteed residential mortgage loans serviced by New Penn for an aggregate purchase price of $139.1 million (the "Ginnie Mae MSRs"). As a result of New Penn continuing to own the MSRs and remaining the named servicer of the Ginnie Mae guaranteed residential mortgage loans, although the rights to the economic value of the MSRs were legally sold, solely for accounting purposes, New Residential determined that each purchase agreement would not be treated as a sale under GAAP and accounted for as Mortgage Servicing Rights Financing Receivable.

As a result of the Shellpoint Acquisition completed on July 3, 2018, New Residential, through its wholly owned subsidiary, New Penn, owns the Ginnie Mae MSRs and now accounts for these assets as Mortgage Servicing Rights rather than Mortgage Servicing Rights Financing Receivable as disclosed in the first and second quarters of 2018.

New Penn, as an approved issuer of Ginnie Mae MBS, originates, sells and securitizes government-insured residential mortgage loans into Ginnie Mae guaranteed securitizations and New Penn retains the right to service the underlying residential mortgage loans. As the servicer, New Penn, holds an option to repurchase delinquent loans from the securitization at its discretion ("Ginnie Mae Buy-Back Option"). In accordance with the accounting guidance in ASC 860, New Penn recognizes any delinquent loans subject to the Ginnie Mae Buy-Back option and an offsetting repurchase liability on its balance sheet regardless of whether New Penn executes its option to repurchase. As of September 30, 2018, New Residential holds approximately $110.2 million in Residential mortgage loans subject to repurchase and Residential mortgage loans repurchase liability on its condensed consolidated balance sheets.

During the nine months ended September 30, 2018, New Residential, through its wholly owned subsidiaries, completed the following MSR acquisitions accounted for as Mortgage Servicing Rights (in millions):

Date of Acquisition	Collateral Type	UPB (in billions)	Purchase Price
January 16, 2018	Agency	$ 11.5	$ 101.5
January 16, 2018	Agency	7.8	81.0
February 28, 2018	Agency	3.3	33.5
March 28, 2018	Agency & Ginnie Mae	8.1	96.6
May 1, 2018	Ginnie Mae	4.6	46.8
May 25, 2018	Agency	2.1	26.3
May 31, 2018	Agency & Ginnie Mae	6.1	79.9
June 1, 2018	Ginnie Mae	0.5	6.1
June 4, 2018	Agency	2.1	19.3
June 28, 2018	Ginnie Mae	4.7	66.5
August 31, 2018	Agency & Ginnie Mae	18.5	220.5
September 28, 2018	Agency	1.1	13.6
September 28, 2018	Agency	10.1	126.4
Various[A]	Agency	3.6	34.1
Total		$ 84.1	$ 952.1

(A) Represents Flow MSR acquisitions from Ditech and Shellpoint for the nine months ended September 30, 2018.

New Residential records its investments in MSRs at fair value at acquisition and has elected to subsequently measure at fair value pursuant to the fair value measurement method.

Servicing revenue, net recognized by New Residential related to its investments in MSRs was comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Servicing fee revenue	$ 158,458	$ 113,741	$ 408,967	$ 299,642
Ancillary and other fees	43,638	24,641	94,699	51,811
Servicing fee revenue and fees	202,096	138,382	503,666	351,453
Amortization of servicing rights	(70,933)	(68,850)	(191,499)	(159,451)
Change in valuation inputs and assumptions[A] [B]	44,192	(11,518)	226,617	77,465
Servicing revenue, net	$ 175,355	$ 58,014	$ 538,784	$ 269,467

(A) Change in valuation inputs and assumptions includes changes in inputs or assumptions used in the valuation model and other changes due to the realization of expected cash flows.

(B) Includes $3.9 million of fair value adjustment to Excess spread financing for the three and nine months ended September 30, 2018.

The following table presents activity related to the carrying value of New Residential's investments in MSRs:

Balance as of December 31, 2017	$ 1,735,504
Purchases	801,366
Transfer In[A]	135,288
Shellpoint Acquisition[B] [C]	151,312
Originations[D]	17,282
Amortization of servicing rights[E]	(191,499)
Change in valuation inputs and assumptions[F]	222,751
Balance as of September 30, 2018	$ 2,872,004

(A) Represents Ginnie Mae MSRs previously accounted for as Mortgage Servicing Rights Financing Receivable.
(B) Represents MSRs acquired through New Residential's acquisition of Shellpoint Partners LLC.
(C) Includes $48.3 million of MSRs legally sold by New Penn treated as a secured borrowing as it did not meet the criteria for sale treatment. New Residential elected to record the excess spread financing liability at fair value pursuant to the fair value option.
(D) Represents MSRs retained on the sale of originated mortgage loans.
(E) Based on the ratio of the current UPB of the underlying residential mortgage loans relative to the original UPB of the underlying residential mortgage loans.
(F) Change in valuation inputs and assumptions includes changes in inputs or assumptions used in the valuation model and other changes due to the realization of expected cash flows.

The following is a summary of New Residential's investments in MSRs as of September 30, 2018:

	UPB of Underlying Mortgages	Weighted Average Life (Years)[A]	Amortized Cost Basis	Carrying Value[B]
Agency	$ 214,959,796	6.5	$ 2,068,667	$ 2,479,734
Non-Agency	2,056,930	6.8	13,391	20,555
Ginnie Mae	29,933,137	7.5	308,021	371,715
Total	$ 246,949,863	6.6	$ 2,390,079	$ 2,872,004

(A) Weighted Average Life represents the weighted average expected timing of the receipt of expected cash flows for this investment.
(B) Carrying Value represents fair value. As of September 30, 2018, a weighted average discount rate of 8.7% was used to value New Residential's investments in MSRs.

Mortgage Servicing Rights Financing Receivable

In certain cases, New Residential has legally purchased MSRs or the right to the economic interest in MSRs, however, New Residential has determined that the purchase agreement would not be treated as a sale under GAAP. Therefore, rather than recording an investment in MSRs, New Residential has recorded an investment in mortgage servicing rights financing receivables. Income from this investment (net of subservicing fees) is recorded as interest income, and New Residential has elected to measure the investment at fair value, with changes in fair value flowing through change in fair value of investments in mortgage servicing rights financing receivables in the Condensed Consolidated Statements of Income.

PHH Transaction

As of September 30, 2018, MSRs purchased from PHH, and related servicer advances receivables, with respect to private-label residential mortgage loans of approximately $3.7 billion in total UPB with a purchase price of approximately $21.0 million had not been settled. As a result of the length of the initial term of the related subservicing agreement between NRM and PHH, although the MSRs were legally sold, solely for accounting purposes, New Residential determined that substantially all of the risks and rewards inherent in owning the MSRs had not been transferred to NRM, and that the purchase agreement would not be treated as a sale under GAAP. New Residential has entered into a recapture agreement with respect to each of its MSR investments subserviced

by PHH. Under the recapture agreement, New Residential is generally entitled to the MSRs on any initial or subsequent refinancing by PHH of a loan in the original portfolio.

Ocwen Transaction

As of September 30, 2018, MSRs representing approximately $15.5 billion UPB of underlying loans have been transferred pursuant to the Ocwen Transaction. Economics related to the remaining MSRs subject to the Ocwen Transaction were transferred pursuant to the New Ocwen Agreements (described below). Through September 30, 2018, $334.2 million of related lump sum payments have been made or accrued by New Residential to Ocwen. Upon such transfer, or subsequent to the New Ocwen Agreements (described below), any interests already held by New Residential are reclassified (from Excess MSRs or Servicer Advance Investments) to become part of the basis of the MSR financing receivables or servicer advances receivable, as appropriate, held by NRM. As a result of the length of the initial term of the related subservicing agreement between NRM and Ocwen, although the MSRs transferred pursuant to the Ocwen Transaction were legally sold, solely for accounting purposes, New Residential determined that substantially all of the risks and rewards inherent in owning the MSRs had not been transferred to NRM, and that the purchase agreement would not be treated as a sale under GAAP.

During July 2017, New Residential and Ocwen entered into the Ocwen Transaction. While New Residential continues the process of obtaining the third party consents necessary to transfer the related MSRs to New Residential's subsidiary, NRM, Ocwen and New Residential have entered into new agreements, which have accelerated the implementation of certain parts of the Ocwen Transaction in order to achieve its intent sooner. These new agreements are described in further detail below.

On January 18, 2018, New Residential entered into a new agreement regarding the rights to MSRs (the "New Ocwen RMSR Agreement") including a servicing addendum thereto (the "Ocwen Servicing Addendum"), Amendment No. 1 to Transfer Agreement (the "New Ocwen Transfer Agreement") and a Brokerage Services Agreement (the "Ocwen Brokerage Services Agreement" and, collectively, the "New Ocwen Agreements") with Ocwen. The New Ocwen Agreements modify and supplement the arrangements among the parties set forth in the Original Ocwen Agreements, the Ocwen Master Agreement, the Ocwen Transfer Agreement, and the Ocwen Subservicing Agreement (together with the Original Ocwen Agreements, the Ocwen Master Agreement, and the Ocwen Transfer Agreement, the "Existing Ocwen Agreements"). NRM made a lump-sum "Fee Restructuring Payment" of $279.6 million to Ocwen on January 18, 2018, the date of the New Ocwen RMSR Agreement, with respect to such Existing Ocwen Subject MSRs.

Under the Existing Ocwen Agreements, Ocwen sold and transferred to New Residential certain "Rights to MSRs" and other assets related to mortgage servicing rights for loans with an unpaid principal balance of approximately $86.8 billion as of the opening balances in January 2018 (the "Existing Ocwen Subject MSRs").

Pursuant to the New Ocwen Agreements, Ocwen will continue to service the mortgage loans related to the Existing Ocwen Subject MSRs until the necessary third party consents are obtained in order to transfer the Existing Ocwen Subject MSRs in accordance with the New Ocwen Agreements.

The New Ocwen RMSR Agreement provides, among other things:

- the Existing Ocwen Subject MSRs will remain in the parties' ownership structure under the Existing Ocwen Agreements while they continue to seek third party consents to transfer Ocwen's remaining rights to the Existing Ocwen Subject MSRs to New Residential or any permitted assignee of New Residential;
- Ocwen will continue to service the related mortgage loans pursuant to the terms of the Ocwen Servicing Addendum until the transfer of the Existing Ocwen Subject MSRs;
- under the arrangements contemplated by the New Ocwen RMSR Agreement, Ocwen will receive substantially identical compensation for servicing the related mortgage loans underlying the Existing Ocwen Subject MSRs that it would receive if the Existing Ocwen Subject MSRs had been transferred to NRM as named servicer and Ocwen subserviced such mortgage loans for NRM as named servicer;
- in the event that the required third party consents are not obtained with respect to any Existing Ocwen Subject MSRs by certain dates specified in the New Ocwen RMSR Agreement, in accordance with the process set forth in the New Ocwen RMSR Agreement, the Rights to MSRs (as defined in the Existing Ocwen Agreements) related to such Existing Ocwen Subject MSRs could either: (i) remain subject to the New Ocwen RMSR Agreement at the option of New Residential,

(ii) if New Residential does not opt for the New Ocwen RMSR Agreement to remain in place with respect to certain Existing Ocwen Subject MSRs, Ocwen may acquire such Existing Ocwen Subject MSRs at a price determined in accordance with the terms of the New Ocwen RMSR Agreement, or (iii) if Ocwen does not acquire such Existing Ocwen Subject MSRs, be sold to a third party in accordance with the terms of the New Ocwen RMSR Agreement, as determined pursuant to the terms of the New Ocwen RMSR Agreement;

- New Residential agreed to waive any rights New Residential may have had under the Existing Ocwen Agreements to replace Ocwen as named servicer with respect to the Existing Ocwen Subject MSRs based on Ocwen's residential servicer rating agency related downgrades; and
- Ocwen will offer refinancing opportunities to borrowers and New Residential is entitled to the MSRs on any initial or subsequent refinancing by Ocwen of a loan in the original portfolio.

Pursuant to the Ocwen Servicing Addendum, Ocwen will service the mortgage loans related to the Existing Ocwen Subject MSRs. In consideration of servicing such mortgage loans, Ocwen will receive a servicing fee based on the unpaid principal balance as of the first of each month as set forth in the Ocwen Servicing Addendum. The initial term of the Ocwen Servicing Addendum is for the five years following July 23, 2017. At any time during the initial term, New Residential may terminate the Ocwen Servicing Addendum for convenience, subject to Ocwen's right to receive a termination fee calculated in accordance with the Ocwen Servicing Addendum and specified notice. Following the initial term, (i) New Residential may extend the term of the Ocwen Servicing Addendum for additional three-month periods by delivering written notice to Ocwen of its desire to extend such contract thirty days prior to the end of such three-month period and (ii) the Ocwen Servicing Addendum may be terminated by Ocwen on an annual basis. In addition, New Residential and Ocwen will have the right to terminate the Ocwen Servicing Addendum for cause if certain conditions specified in the Ocwen Servicing Addendum occur. If the Ocwen Servicing Addendum is terminated or not renewed in accordance with these provisions, New Residential will have the right to direct the transfer of servicing to a third party, subject to Ocwen's option to purchase the Existing Ocwen Subject MSRs and related assets in certain cases. To the extent that servicing of the loans cannot be transferred in accordance with these provisions, the Ocwen Servicing Addendum will remain in place with respect to the servicing of any remaining loans.

Pursuant to the Ocwen Brokerage Services Agreement, Ocwen will engage NRZ Brokerage to perform brokerage and marketing services for all REO properties serviced by Ocwen pursuant to the Subject Servicing Agreements as defined in the New Ocwen RMSR Agreement. Such REO properties are subject to the Altisource Brokerage Agreement and Altisource Letter Agreement.

Interest income from investments in mortgage servicing rights financing receivables was comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Servicing fee revenue	$ 181,495	$ 38,510	$ 575,909	$ 41,185
Ancillary and other fees	39,257	4,327	109,852	4,402
Less: subservicing expense	(61,454)	(11,139)	(192,275)	(11,433)
Interest income, investments in mortgage servicing rights financing receivables	$ 159,298	$ 31,698	$ 493,486	$ 34,154

Change in fair value of investments in mortgage servicing rights financing receivables was comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Amortization of servicing rights	$ (49,016)	$ (18,883)	$ (154,559)	$ (20,010)
Change in valuation inputs and assumptions[(A)]	(39,329)	89,115	218,187	95,838
Change in fair value of investments in mortgage servicing rights financing receivables	$ (88,345)	$ 70,232	$ 63,628	$ 75,828

(A) Change in valuation inputs and assumptions includes changes in inputs or assumptions used in the valuation model and other changes due to the realization of expected cash flows.

The following table presents activity related to the carrying value of New Residential's investments in mortgage servicing rights financing receivables:

Balance as of December 31, 2017	$ 598,728
Investments made	138,993
Transfer Out[(A)]	(135,288)
New Ocwen Agreements	1,017,993
Proceeds from sales	(2,982)
Amortization of servicing rights[(B)]	(154,559)
Change in valuation inputs and assumptions[(C)]	218,187
Balance as of September 30, 2018	$ 1,681,072

(A) Represents Ginnie Mae MSRs owned by New Penn accounted for as Mortgage Servicing Rights as a result of the Shellpoint Acquisition.
(B) Based on the ratio of the current UPB of the underlying residential mortgage loans relative to the original UPB of the underlying residential mortgage loans.
(C) Change in valuation inputs and assumptions includes changes in inputs or assumptions used in the valuation model and other changes due to the realization of expected cash flows.

The following is a summary of New Residential's investments in mortgage servicing rights financing receivables as of September 30, 2018:

	UPB of Underlying Mortgages	Weighted Average Life (Years)[(A)]	Amortized Cost Basis	Carrying Value[(B)]
Agency	$ 43,997,628	6.0	$ 380,949	$ 467,613
Non-Agency	91,532,019	7.0	970,423	1,213,459
Total	$ 135,529,647	6.7	$ 1,351,372	$ 1,681,072

(A) Weighted Average Life represents the weighted average expected timing of the receipt of expected cash flows for this investment.
(B) Carrying Value represents fair value. As of September 30, 2018, a weighted average discount rate of 10.3% was used to value New Residential's investments in mortgage servicing rights financing receivables.

The table below summarizes the geographic distribution of the underlying residential mortgage loans of the investments in MSRs and mortgage servicing rights financing receivables:

	Percentage of Total Outstanding Unpaid Principal Amount	
State Concentration	**September 30, 2018**	**December 31, 2017**
California	20.5 %	19.0 %
New York	8.1 %	6.3 %
Florida	7.0 %	6.0 %
Texas	5.2 %	5.7 %
New Jersey	5.1 %	5.2 %
Illinois	3.9 %	4.1 %
Massachusetts	3.6 %	3.8 %
Maryland	3.4 %	2.8 %
Pennsylvania	3.2 %	3.3 %
Virginia	3.2 %	3.1 %
Other U.S.	36.8 %	40.7 %
	100.0 %	100.0 %

Geographic concentrations of investments expose New Residential to the risk of economic downturns within the relevant states. Any such downturn in a state where New Residential holds significant investments could affect the underlying borrower's ability to make mortgage payments and therefore could have a meaningful, negative impact on the MSRs.

Mortgage Subservicing

New Penn performs servicing of residential mortgage loans for third parties under subservicing agreements. Mortgage subservicing does not meet the criteria to be recognized as a servicing right asset and, therefore, is not recognized on New Residential's condensed consolidated balance sheets. The UPB of residential mortgage loans subserviced for others as of September 30, 2018 was $44.7 billion and subservicing revenue of $30.3 million is included within servicing revenue, net in the Condensed Consolidated Statements of Income.

Servicer Advances Receivable

In connection with its investments in MSRs and MSR financing receivables, New Residential generally acquires any related outstanding servicer advances (not included in the purchase prices described above), which it records at fair value within servicer advances receivable upon acquisition.

In addition to receiving cash flows from the MSRs, NRM and New Penn, as servicers, have the obligation to fund future servicer advances on the underlying pool of mortgages (Note 14). These servicer advances are recorded when advanced and are included in servicer advances receivable.

The following types of advances are included in the Servicer Advances Receivable:

	September 30, 2018	**December 31, 2017**
Principal and interest advances	$ 816,290	$ 172,467
Escrow advances (taxes and insurance advances)	2,095,423	482,884
Foreclosure advances	212,206	16,017
Total[(A) (B) (C)]	$ 3,123,919	$ 671,368

(A) Includes $189.9 million and $167.9 million of servicer advances receivable related to Agency MSRs, respectively, recoverable from the Agencies.

(B) Includes $10.0 million and $0.0 million of servicer advances receivable related to Ginnie Mae MSRs, respectively, recoverable from Ginnie Mae.
(C) Net of $93.2 million and $4.2 million, respectively, in unamortized discount and accrual for advance recoveries.

New Residential's Servicer Advances Receivable related to Non-Agency MSRs generally have the highest reimbursement priority (i.e., "top of the waterfall") and New Residential is generally entitled to repayment from respective loan or REO liquidation proceeds before any interest or principal is paid on the bonds that were issued by the trust. In the majority of cases, advances in excess of respective loan or REO liquidation proceeds may be recovered from pool-level proceeds. Furthermore, to the extent that advances are not recoverable by New Residential as a result of the subservicer's failure to comply with applicable requirements in the relevant servicing agreements, New Residential has a contractual right to be reimbursed by the subservicer. New Residential assesses the recoverability of Servicer Advance Receivables periodically and as of September 30, 2018 and December 31, 2017, expected full recovery of the Servicer Advance Receivables.

See Note 11 regarding the financing of MSRs.

6. SERVICER ADVANCE INVESTMENTS

All of New Residential's Servicer Advance Investments are comprised of outstanding servicer advances, the requirement to purchase all future servicer advances made with respect to a specified pool of residential mortgage loans, and the basic fee component of the related MSR. New Residential elected to record its Servicer Advance Investments, including the right to the basic fee component of the related MSRs, at fair value pursuant to the fair value option for financial instruments to provide users of the financial statements with better information regarding the effects of market factors.

A taxable wholly-owned subsidiary of New Residential is the managing member of the Buyer and owned an approximately 73.2% interest in the Buyer as of September 30, 2018. As of September 30, 2018, third-party co-investors, owning the remaining interest in the Buyer, have funded capital commitments to the Buyer of $389.6 million and New Residential has funded capital commitments to the Buyer of $312.7 million. The Buyer may call capital up to the commitment amount on unfunded commitments and recall capital to the extent the Buyer makes a distribution to the co-investors, including New Residential. As of September 30, 2018, the noncontrolling third-party co-investors and New Residential had previously funded their commitments, however the Buyer may recall $322.0 million and $289.5 million of capital distributed to the third-party co-investors and New Residential, respectively. Neither the third-party co-investors nor New Residential is obligated to fund amounts in excess of their respective capital commitments, regardless of the capital requirements of the Buyer.

See Note 5 regarding the New Ocwen Agreements. Subsequent to the New Ocwen Agreements, the Servicer Advance Investments serviced by Ocwen became reclassified, as described in Note 5.

The following is a summary of New Residential's Servicer Advance Investments, including the right to the basic fee component of the related MSRs:

	Amortized Cost Basis	Carrying Value(A)	Weighted Average Discount Rate	Weighted Average Yield	Weighted Average Life (Years)(B)
September 30, 2018					
Servicer Advance Investments	$ 783,141	$ 799,936	5.9%	5.8%	5.9
As of December 31, 2017					
Servicer Advance Investments	$ 3,924,003	$ 4,027,379	6.8%	7.3%	5.1

(A) Carrying value represents the fair value of the Servicer Advance Investments, including the basic fee component of the related MSRs.
(B) Weighted Average Life represents the weighted average expected timing of the receipt of expected net cash flows for this investment.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Change in Fair Value of Servicer Advance Investments	$ (5,353)	$ 10,941	$ (86,581)	$ 70,469

The following is additional information regarding the Servicer Advance Investments and related financing:

			Loan-to-Value ("LTV")(A)	Cost of Funds(C)
	UPB of	Servicer Advances		

	Underlying Residential Mortgage Loans	Outstanding Servicer Advances	to UPB of Underlying Residential Mortgage Loans	Face Amount of Notes and Bonds Payable	Gross	Net(B)	Gross	Net
September 30, 2018								
Servicer Advance Investments(D)	$ 42,323,957	$ 637,102	1.5%	$ 630,422	89.3%	88.2%	3.7%	3.1%
December 31, 2017								
Servicer Advance Investments(D)	$ 139,460,371	$ 3,581,876	2.6%	$ 3,461,718	93.2%	92.0%	3.3%	3.0%

(A) Based on outstanding servicer advances, excluding purchased but unsettled servicer advances.

(B) Ratio of face amount of borrowings to par amount of servicer advance collateral, net of any general reserve.

(C) Annualized measure of the cost associated with borrowings. Gross Cost of Funds primarily includes interest expense and facility fees. Net Cost of Funds excludes facility fees.

(D) The following types of advances are included in the Servicer Advance Investments:

	September 30, 2018	December 31, 2017
Principal and interest advances	$ 114,351	$ 909,133
Escrow advances (taxes and insurance advances)	236,799	1,636,381
Foreclosure advances	285,952	1,036,362
Total	$ 637,102	$ 3,581,876

Interest income recognized by New Residential related to its Servicer Advance Investments was comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Interest income, gross of amounts attributable to servicer compensation	$ 21,183	$ 83,979	$ 63,731	$ 290,933
Amounts attributable to base servicer compensation	(2,347)	(38,549)	(6,354)	(145,055)
Amounts attributable to incentive servicer compensation	(7,095)	84,724	(14,255)	300,788
Interest income from Servicer Advance Investments	$ 11,741	$ 130,154	$ 43,122	$ 446,666

New Residential has determined that the Buyer is a VIE. The following table presents information on the assets and liabilities related to this consolidated VIE.

	As of	
	September 30, 2018	December 31, 2017
Assets		
Servicer advance investments, at fair value	$ 774,851	$ 1,002,102
Cash and cash equivalents	30,073	40,929
All other assets	10,592	13,011
Total assets[(A)]	$ 815,516	$ 1,056,042
Liabilities		
Notes and bonds payable	$ 610,277	$ 789,979
All other liabilities	3,055	3,308
Total liabilities[(A)]	$ 613,332	$ 793,287

(A) The creditors of the Buyer do not have recourse to the general credit of New Residential and the assets of the Buyer are not directly available to satisfy New Residential's obligations.

Others' interests in the equity of the Buyer is computed as follows:

	September 30, 2018	December 31, 2017
Total Advance Purchaser LLC equity	$ 202,184	$ 262,755
Others' ownership interest	26.8 %	27.2 %
Others' interest in equity of consolidated subsidiary	$ 54,118	$ 71,491

Others' interests in the Buyer's net income is computed as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net Advance Purchaser LLC income	$ (299)	$ 3,584	$ 8,667	$ 20,460
Others' ownership interest as a percent of total[(A)]	27.1%	34.2%	27.2%	50.7%
Others' interest in net income of consolidated subsidiaries	$ (81)	$ 1,224	$ 2,358	$ 10,372

(A) Nine months ended September 30, 2018 reflects 27.2% for the first six months.

See Note 11 regarding the financing of Servicer Advance Investments.

7. INVESTMENTS IN REAL ESTATE AND OTHER SECURITIES

"Agency" residential mortgage backed securities ("RMBS") are RMBS issued by a government sponsored enterprise, such as the Federal National Mortgage Association ("Fannie Mae") or the Federal Home Loan Mortgage Corporation ("Freddie Mac"). "Non-Agency" RMBS are issued by either public trusts or private label securitization entities.

Activities related to New Residential's investments in real estate and other securities were as follows:

	Nine Months Ended September 30, 2018 (in millions)		
	Treasury	Agency	Non-Agency
Purchases			
Face	$ —	$ 7,153.6	$ 6,866.9
Purchase Price	—	7,226.4	3,475.1
Sales			
Face	$ 862.0	$ 5,626.7	$ 105.1
Amortized Cost	858.0	5,710.4	82.3
Sale Price	849.8	5,652.1	81.3
Gain (Loss) on Sale	(8.2)	(58.3)	(1.0)

As of September 30, 2018, New Residential had sold and purchased $3.4 billion and $1.8 billion face amount of Agency RMBS for $3.4 billion and $1.8 billion, respectively, and purchased $15.1 million face amount of Non-Agency RMBS for $13.5 million, which had not yet been settled. These unsettled sales and purchases were recorded on the balance sheet on trade date as Trades Receivable and Trades Payable.

New Residential has exercised its call rights with respect to Non-Agency RMBS trusts and purchased performing and non-performing residential mortgage loans and REO contained in such trusts prior to their termination. In certain cases, New Residential sold portions of the purchased loans through securitizations, and retained bonds issued by such securitizations. In addition, New Residential received par on the securities issued by the called trusts which it owned prior to such trusts' termination. Refer to Note 8 for further details on these transactions.

The following is a summary of New Residential's real estate and other securities, all of which are classified as available-for-sale and are, therefore, reported at fair value with changes in fair value recorded in other comprehensive income, except for securities that are other-than-temporarily impaired and except for securities which New Residential elected to carry at fair value and record changes to valuation through the income statement.

	September 30, 2018											December 31, 2017
			Gross Unrealized				Weighted Average					
Asset Type	Outstanding Face Amount	Amortized Cost Basis	Gains	Losses	Carrying Value[A]	Number of Securities	Rating[B]	Coupon[C]	Yield	Life (Years)[D]	Principal Subordination[E]	Carrying Value
Treasury	$ —	$ —	$ —	$ —	$ —	—	N/A	—%	—%	—	N/A	$ 852,734
Agency RMBS[F] [G]	2,653,034	2,678,375	705	(5,217)	2,673,863	31	AAA	3.95%	3.82%	9.8	N/A	1,243,617
Non-Agency RMBS[H] [I]	17,980,244	8,491,714	549,206	(64,526)	8,976,394	858	B	3.22%	5.50%	7.1	12.4%	5,974,789
Total/ Weighted Average	$ 20,633,278	$ 11,170,089	$ 549,911	$ (69,743)	$ 11,650,257	889	BB+	3.39%	5.09%	7.8		$ 8,071,140

(A) Fair value, which is equal to carrying value for all securities. See Note 12 regarding the estimation of fair value.

(B) Represents the weighted average of the ratings of all securities in each asset type, expressed as an S&P equivalent rating. This excludes the ratings of the collateral underlying 221 bonds with a carrying value of $431.4 million which either have never been rated or for which rating information is no longer provided. For each security rated by multiple rating agencies, the lowest rating is used. New Residential used an implied AAA rating for the Agency RMBS. Ratings provided were determined by third party rating agencies, and represent the most recent credit ratings available as of the reporting date and may not be current.

(C) Excludes residual bonds, and certain other Non-Agency bonds, with a carrying value of $220.0 million and $0.0 million, respectively, for which no coupon payment is expected.

(D) The weighted average life is based on the timing of expected principal reduction on the assets.

(E) Percentage of the amortized cost basis of securities that is subordinate to New Residential's investments, excluding fair value option securities.

(F) Includes securities issued or guaranteed by U.S. Government agencies such as Fannie Mae or Freddie Mac.

(G) The total outstanding face amount was $2.7 billion for fixed rate securities and $0.0 billion for floating rate securities as of September 30, 2018.

(H) The total outstanding face amount was $3.7 billion (including $1.4 billion of residual and fair value option notional amount) for fixed rate securities and $14.3 billion (including $5.9 billion of residual and fair value option notional amount) for floating rate securities as of September 30, 2018.

(I) Includes other asset backed securities ("ABS") consisting primarily of (i) interest-only securities and servicing strips (fair value option securities) which New Residential elected to carry at fair value and record changes to valuation through the income statement, (ii) bonds backed by MSRs and (iii) bonds backed by consumer loans.

			Gross Unrealized				Weighted Average				
Asset Type	Outstanding Face Amount	Amortized Cost Basis	Gains	Losses	Carrying Value	Number of Securities	Rating	Coupon	Yield	Life (Years)	Principal Subordination
Corporate debt	$ 85,000	$ 85,000	$ —	$ (2,550)	$ 82,450	1	B-	8.25%	8.25%	6.5	N/A
Consumer loan bonds	62,241	61,687	208	(6,022)	55,869	6	B	5.50%	18.94%	1.6	N/A
MSR bonds	228,000	228,000	1,734	—	229,734	2	BBB-	4.95%	4.86%	8.8	N/A
Fair Value Option Securities:											
Interest-only securities	5,279,031	231,257	21,605	(9,388)	243,478	66	AA+	1.48%	4.88%	3.0	N/A
Servicing Strips	996,167	8,662	1,908	(216)	10,354	28	N/A	0.21%	13.83%	6.0	N/A

Unrealized losses that are considered other-than-temporary and are attributable to credit losses are recognized currently in earnings. During the nine months ended September 30, 2018, New Residential recorded OTTI charges of $23.2 million with respect to real estate securities. Any remaining unrealized losses on New Residential's securities were primarily the result of changes in market factors, rather than issue-specific credit impairment. New Residential performed analyses in relation to such securities, using its best estimate of their cash flows, which support its belief that the carrying values of such securities were fully recoverable over their expected holding period. New Residential has no intent to sell, and is not more likely than not to be required to sell, these securities.

The following table summarizes New Residential's securities in an unrealized loss position as of September 30, 2018.

Securities in an Unrealized Loss Position	Outstanding Face Amount	Amortized Cost Basis			Gross Unrealized Losses	Carrying Value	Number of Securities	Weighted Average			
		Before Impairment	Other-Than-Temporary Impairment[A]	After Impairment				Rating[B]	Coupon	Yield	Life (Years)
Less than 12 Months	$ 4,844,162	$ 3,096,895	$ (3,530)	$ 3,093,365	$ (44,043)	$ 3,049,322	224	BB+	3.44%	4.58%	7.7
12 or More Months	1,230,875	457,146	(359)	456,787	(25,700)	431,087	77	BB-	1.80%	6.42%	6.0
Total/Weighted Average	$ 6,075,037	$ 3,554,041	$ (3,889)	$ 3,550,152	$ (69,743)	$ 3,480,409	301	BB+	3.23%	4.81%	7.5

(A) This amount represents OTTI recorded on securities that are in an unrealized loss position as of September 30, 2018.

(B) The weighted average rating of securities in an unrealized loss position for less than 12 months excludes the rating of 65 bonds which either have never been rated or for which rating information is no longer provided. The weighted average rating of securities in an unrealized loss position for 12 or more months excludes the rating of 14 bonds which either have never been rated or for which rating information is no longer provided.

New Residential performed an assessment of all of its debt securities that are in an unrealized loss position (an unrealized loss position exists when a security's amortized cost basis, excluding the effect of OTTI, exceeds its fair value) and determined the following:

	September 30, 2018			
			Gross Unrealized Losses	
	Fair Value	Amortized Cost Basis After Impairment	Credit[A]	Non-Credit[B]
Securities New Residential intends to sell[C]	$ —	$ —	$ —	$ —
Securities New Residential is more likely than not to be required to sell[D]	—	—	—	N/A
Securities New Residential has no intent to sell and is not more likely than not to be required to sell:				
Credit impaired securities	1,013,029	1,036,994	(3,889)	(23,965)
Non-credit impaired securities	2,467,380	2,513,158	—	(45,778)
Total debt securities in an unrealized loss position	$ 3,480,409	$ 3,550,152	$ (3,889)	$ (69,743)

(A) This amount is required to be recorded as OTTI through earnings. In measuring the portion of credit losses, New Residential estimates the expected cash flow for each of the securities. This evaluation includes a review of the credit status and the performance of the collateral supporting those securities, including the credit of the issuer, key terms of the securities and the effect of local, industry and broader economic trends. Significant inputs in estimating the cash flows include New Residential's expectations of prepayment rates, default rates and loss severities. Credit losses are measured as the decline in the present value of the expected future cash flows discounted at the investment's effective interest rate.

(B) This amount represents unrealized losses on securities that are due to non-credit factors and recorded through other comprehensive income.

(C) A portion of securities New Residential intends to sell have a fair value equal to their amortized cost basis after impairment, and, therefore do not have unrealized losses reflected in other comprehensive income as of September 30, 2018.

(D) New Residential may, at times, be more likely than not to be required to sell certain securities for liquidity purposes. While the amount of the securities to be sold may be an estimate, and the securities to be sold have not yet been identified, New Residential must make its best estimate, which is subject to significant judgment regarding future events, and may differ materially from actual future sales.

The following table summarizes the activity related to credit losses on debt securities:

	Nine Months Ended September 30, 2018
Beginning balance of credit losses on debt securities for which a portion of an OTTI was recognized in other comprehensive income	$ 23,821
Increases to credit losses on securities for which an OTTI was previously recognized and a portion of an OTTI was recognized in other comprehensive income	14,090
Additions for credit losses on securities for which an OTTI was not previously recognized	9,100
Reductions for securities for which the amount previously recognized in other comprehensive income was recognized in earnings because the entity intends to sell the security or more likely than not will be required to sell the security before recovery of its amortized cost basis	—
Reduction for credit losses on securities for which no OTTI was recognized in other comprehensive income at the current measurement date	—
Reduction for securities sold during the period	(846)
Ending balance of credit losses on debt securities for which a portion of an OTTI was recognized in other comprehensive income	$ 46,165

The table below summarizes the geographic distribution of the collateral securing New Residential's Non-Agency RMBS:

	September 30, 2018		December 31, 2017	
Geographic Location[A]	Outstanding Face Amount	Percentage of Total Outstanding	Outstanding Face Amount	Percentage of Total Outstanding
Western U.S.	$ 6,439,635	36.1%	$ 4,882,136	38.4%
Southeastern U.S.	4,231,388	23.7%	3,005,519	23.6%
Northeastern U.S.	3,515,723	19.7%	2,555,514	20.1%
Midwestern U.S.	1,958,309	11.0%	1,337,980	10.5%
Southwestern U.S.	1,242,546	7.0%	927,647	7.3%
Other[B]	445,402	2.5%	18,871	0.1%
	$ 17,833,003	100.0%	$ 12,727,667	100.0%

(A) Excludes $62.2 million and $29.7 million face amount of bonds backed by consumer loans and $85.0 million and $0.0 million face amount of bonds backed by corporate debt as of September 30, 2018 and December 31, 2017, respectively.

(B) Represents collateral for which New Residential was unable to obtain geographic information.

New Residential evaluates the credit quality of its real estate securities, as of the acquisition date, for evidence of credit quality deterioration. As a result, New Residential identified a population of real estate securities for which it was determined that it was probable that New Residential would be unable to collect all contractually required payments. For securities acquired during the nine months ended September 30, 2018, excluding residual and fair value option securities, the face amount of these real estate securities was $1,444.7 million, with total expected cash flows of $1,271.9 million and a fair value of $965.6 million on the dates that New Residential purchased the respective securities.

The following is the outstanding face amount and carrying value for securities, for which, as of the acquisition date, it was probable that New Residential would be unable to collect all contractually required payments, excluding residual and fair value option securities:

	Outstanding Face Amount	Carrying Value
September 30, 2018	$ 6,368,757	$ 4,234,978
December 31, 2017	5,364,847	3,493,723

The following is a summary of the changes in accretable yield for these securities:

	Nine Months Ended September 30, 2018
Balance at December 31, 2017	$ 2,000,266
Additions	306,298
Accretion	(181,610)
Reclassifications from (to) non-accretable difference	146,240
Disposals	(3,277)
Balance at September 30, 2018	$ 2,267,917

See Note 11 regarding the financing of real estate securities.

8. INVESTMENTS IN RESIDENTIAL MORTGAGE LOANS

New Residential accumulated its residential mortgage loan portfolio through various bulk acquisitions and the execution of call rights. As a result of the Shellpoint Acquisition, New Residential, through its wholly owned subsidiary, New Penn, originates residential mortgage loans for sale and securitization to third parties and generally retains the servicing rights on the underlying loans.

Loans are accounted for based on New Residential's strategy for the loan, and on whether the loan was credit-impaired at the date of acquisition. New Residential accounts for loans based on the following categories:

- Loans Held-for-Investment (which may include PCD Loans)
- Loans Held-for-Investment, at fair value
- Loans Held-for-Sale
- Loans Held-for-Sale, at fair value
- Real Estate Owned ("REO")

The following table presents certain information regarding New Residential's residential mortgage loans outstanding by loan type, excluding REO:

	September 30, 2018									December 31, 2017
	Outstanding Face Amount	Carrying Value	Loan Count	Weighted Average Yield	Weighted Average Life (Years)(A)	Floating Rate Loans as a % of Face Amount	Loan to Value Ratio ("LTV")(B)	Weighted Avg. Delinquency(C)	Weighted Average FICO(D)	Carrying Value
Loan Type										
Performing Loans(G) (J)	$ 665,939	$ 620,303	8,968	7.3%	5.0	16.8%	79.4%	7.1%	672	$ 507,615
Purchased Credit Deteriorated Loans(H)	211,564	156,020	1,828	7.7%	3.1	15.9%	85.6%	75.5%	595	183,540
Total Residential Mortgage Loans, held-for-investment	$ 877,503	$ 776,323	10,796	7.4%	4.5	16.6%	80.9%	23.6%	653	$ 691,155
Reverse Mortgage Loans(E) (F)	$ 15,271	$ 6,813	41	7.9%	4.9	10.1%	135.1%	70.0%	N/A	$ 6,870
Performing Loans(G) (I)	1,558,201	1,582,174	13,155	4.1%	4.3	55.6%	62.0%	3.9%	713	1,071,371
Non-Performing Loans(H) (I)	518,317	407,316	4,605	6.0%	2.9	17.9%	89.7%	73.2%	589	647,293
Total Residential Mortgage Loans, held-for-sale	$ 2,091,789	$ 1,996,303	17,801	4.6%	3.9	45.9%	69.4%	21.6%	682	$ 1,725,534
Originated Loans	514,516	524,863	1,948	4.9%	28.8	96.0%	80.9%	4.0%	717	—
Total Residential Mortgage Loans, held-for-sale, at fair value(K)	$ 514,516	$ 524,863	1,948	4.9%	28.8	96.0%	80.9%	4.0%	717	$ —

(A) The weighted average life is based on the expected timing of the receipt of cash flows.

(B) LTV refers to the ratio comparing the loan's unpaid principal balance to the value of the collateral property.

(C) Represents the percentage of the total principal balance that is 60+ days delinquent.

(D) The weighted average FICO score is based on the weighted average of information updated and provided by the loan servicer on a monthly basis.

(E) Represents a 70% participation interest that New Residential holds in a portfolio of reverse mortgage loans. Nationstar holds the other 30% interest and services the loans. The average loan balance outstanding based on total UPB was $0.5 million. Approximately 52% of these loans have reached a termination event. As a result of the termination event, each such loan has matured and the borrower can no longer make draws on these loans.

(F) FICO scores are not used in determining how much a borrower can access via a reverse mortgage loan.

(G) Performing loans are generally placed on nonaccrual status when principal or interest is 120 days or more past due.

(H) Includes loans with evidence of credit deterioration since origination where it is probable that New Residential will not collect all contractually required principal and interest payments. As of September 30, 2018, New Residential has placed Non-Performing Loans, held-for-sale on nonaccrual status, except as described in (I) below.

(I) Includes $25.7 million and $56.5 million UPB of Ginnie Mae EBO performing and non-performing loans, respectively, on accrual status as contractual cash flows are guaranteed by the FHA.

(J) Includes $124.4 million UPB of non-agency mortgage loans underlying the SAFT 2013-1 securitization, which are carried at fair value based on New Residential's election of the fair value option. Interest earned on loans measured at fair value are reported in other income.

(K) New Residential elected the fair value option to measure these loans at fair value on a recurring basis. Interest earned on loans measured at fair value are reported in other income.

New Residential generally considers the delinquency status, loan-to-value ratios, and geographic area of residential mortgage loans as its credit quality indicators. Delinquency status is a primary credit quality indicator as loans that are more than 60 days past due provide an early warning of borrowers who may be experiencing financial difficulties. Current LTV ratio is an indicator of the potential loss severity in the event of default. Finally, the geographic distribution of the loan collateral also provides insight as to the credit quality of the portfolio, as factors such as the regional economy, home price changes and specific events will affect credit quality.

The table below summarizes the geographic distribution of the underlying residential mortgage loans:

	Percentage of Total Outstanding Unpaid Principal Amount	
State Concentration	**September 30, 2018**	**December 31, 2017**
California	19.3 %	9.1 %
New York	12.0 %	12.8 %
Florida	6.3 %	8.2 %
Texas	5.6 %	6.6 %
New Jersey	5.2 %	5.2 %
Illinois	3.2 %	3.9 %
Pennsylvania	2.9 %	3.4 %
Massachusetts	2.8 %	2.7 %
Maryland	2.4 %	2.7 %
Washington	1.7 %	1.7 %
Other U.S.	38.6 %	43.7 %
	100.0 %	100.0 %

See Note 11 regarding the financing of residential mortgage loans and related assets.

Call Rights

New Residential has executed calls with respect to the following Non-Agency RMBS trusts and purchased performing and non-performing residential mortgage loans and REO assets contained in such trusts prior to their termination. In certain cases, New Residential sold portions of the purchased loans through securitizations, and retained bonds issued by such securitizations. In addition, New Residential received par on the securities issued by the called trusts which it owned prior to such trusts' termination. The following table summarizes these transactions (dollars in millions).

		Securities Owned Prior		Assets Acquired				Loans Sold (C)		Retained Bonds	Retained Assets (C)		
Date of Call (A)	Number of Trusts Called	Face Amount	Amortized Cost Basis	Loan UPB	Loan Price (B)	REO & Other Price (B)	Date of Securitization	UPB	Gain (Loss)	Basis	Loan UPB	Loan Price	REO & Other Price
January 2018	—	$ —	$ —	$ —	$ —	$ —	Jan 2018	$ 726.5	$ (17.8)	$ 76.8	$ 265.3	$ 239.0	$ 14.4
January 2018	7	0.4	0.2	32.5	32.8	0.1	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)
March 2018	25	85.9	75.4	458.8	461.4	4.1	May 2018	435.3	(6.7)	52.9	56.0	46.8	4.6
April 2018	8	5.8	4.8	218.8	222.3	2.0	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)
May 2018	12	6.7	4.7	475.6	473.5	3.2	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)
June 2018	12	32.3	19.4	409.0	400.6	3.6	August 2018	658.5	(12.4)	535.8	521.8	499.1	8.7
August 2018	6	9.6	6.7	145.5	142.8	0.9	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)
September 2018	4	14.7	9.1	104.8	105.2	2.0	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)	N/A(C)

(A) Any related securitization may occur on the same or a subsequent date, depending on market conditions and other factors.

(B) Price includes par amount paid for all underlying residential mortgage loans of the trusts, plus the basis of the exercised call rights, plus advances and costs incurred (including MSR Fund Payments, as defined in Note 15) in exercising such call rights.

(C) Loans were sold through a securitization which was treated as a sale for accounting purposes. Retained assets are reflected as of the date of the relevant securitization. The loans from the fourth quarter of 2017 calls were securitized in January 2018. The May 2018 securitization primarily included loans from the January 2018 and March 2018 calls, but also included $33.5 million of previously acquired loans. The August 2018 securitization primarily included loans from April, May, and June 2018 calls, but also included $78.3 million of previously acquired loans. No loans from the December 2016 call, January 2017 calls, the last two June 2017 calls, the August 2018 calls or the September 2018 calls were securitized by September 30, 2018.

Performing Loans

The following table provides past due information regarding New Residential's Performing Loans, which is an important indicator of credit quality and the establishment of the allowance for loan losses:

	September 30, 2018
Days Past Due	**Delinquency Status(A)**
Current	83.9%
30-59	7.0%
60-89	2.2%
90-119(B)	1.1%
120+(C)	5.8%
	100.0%

(A) Represents the percentage of the total principal balance that corresponds to loans that are in each delinquency status.

(B) Includes loans 90-119 days past due and still accruing interest because they are generally placed on nonaccrual status at 120 days or more past due.

(C) Represents nonaccrual loans.

Activities related to the carrying value of residential mortgage loans held-for-investment were as follows:

	Performing Loans
Balance at December 31, 2017	$ 507,615
Shellpoint acquisition	125,350
Purchases/additional fundings	55,993
Proceeds from repayments	(77,646)
Accretion of loan discount (premium) and other amortization[(A)]	12,964
Provision for loan losses	(604)
Transfer of loans to other assets[(B)]	—
Transfer of loans to real estate owned	(2,768)
Transfers of loans to held for sale	(1,248)
Fair value adjustment	647
Balance at September 30, 2018	$ 620,303

(A) Includes accelerated accretion of discount on loans paid in full and on loans transferred to other assets.

(B) Represents loans for which foreclosure has been completed and for which New Residential has made, or intends to make, a claim with the governmental agency that has guaranteed the loans that are now recognized as claims receivable in Other Assets (Note 2).

Activities related to the valuation and loss provision on reverse mortgage loans and allowance for loan losses on performing loans held-for-investment were as follows:

	Performing Loans
Balance at December 31, 2017	$ 196
Provision for loan losses[(A)]	604
Charge-offs[(B)]	(800)
Balance at September 30, 2018	$ —

(A) Based on an analysis of collective borrower performance, credit ratings of borrowers, loan-to-value ratios, estimated value of the underlying collateral, key terms of the loans and historical and anticipated trends in defaults and loss severities at a pool level.

(B) Loans, other than PCD loans, are generally charged off or charged down to the net realizable value of the collateral (i.e., fair value less costs to sell), with an offset to the allowance for loan losses, when available information confirms that loans are uncollectible.

Purchased Credit Deteriorated Loans

New Residential determined at acquisition that the PCD loans acquired would be aggregated into pools based on common risk characteristics (FICO score, delinquency status, collateral type, loan-to-value ratio). Loans aggregated into pools are accounted for as if each pool were a single loan with a single composite interest rate and an aggregate expectation of cash flows, including consideration of involuntary prepayments.

Activities related to the carrying value of PCD loans held-for-investment were as follows:

Balance at December 31, 2017	$ 183,540
Purchases/additional fundings	29,785
Sales	—
Proceeds from repayments	(30,261)
Accretion of loan discount and other amortization	18,282
(Allowance) reversal for loan losses[A]	—
Transfer of loans to real estate owned	(20,215)
Transfer of loans to held-for-sale	(25,111)
Balance at September 30, 2018	$ 156,020

(A) An allowance represents the present value of cash flows expected at acquisition that are no longer expected to be collected. A reversal results from an increase to expected cash flows that reverses a prior allowance.

The following is the unpaid principal balance and carrying value for loans, for which, as of the acquisition date, it was probable that New Residential would be unable to collect all contractually required payments:

	Unpaid Principal Balance	Carrying Value
September 30, 2018	$ 211,564	$ 156,020
December 31, 2017	249,254	183,540

The following is a summary of the changes in accretable yield for these loans:

Balance at December 31, 2017	$ 88,631
Additions	16,523
Accretion	(18,282)
Reclassifications from (to) non-accretable difference[A]	(3,414)
Disposals[B]	(5,235)
Transfer of loans to held-for-sale[C]	(8,437)
Balance at September 30, 2018	$ 69,786

(A) Represents a probable and significant increase (decrease) in cash flows previously expected to be uncollectible.

(B) Includes sales of loans or foreclosures, which result in removal of the loan from the PCD loan pool at its carrying amount.

(C) Represents loans not initially acquired with the intent to sell for which New Residential determined that it no longer has the intent to hold for the foreseeable future, or until maturity or payoff.

Loans Held-for-Sale

Activities related to the carrying value of loans held-for-sale were as follows:

Balance at December 31, 2017	$	1,725,534
Purchases[(A)]		3,295,432
Transfer of loans from held-for-investment[(B)]		26,359
Sales		(2,858,074)
Transfer of loans to other assets[(C)]		(6,254)
Transfer of loans to real estate owned		(44,252)
Proceeds from repayments		(151,942)
Valuation (provision) reversal on loans[(D)]		9,500
Balance at September 30, 2018	$	1,996,303

(A) Represents loans acquired with the intent to sell.

(B) Represents loans not initially acquired with the intent to sell for which New Residential determined that it no longer has the intent to hold for the foreseeable future, or until maturity or payoff.

(C) Represents loans for which foreclosure has been completed and for which New Residential has made, or intends to make, a claim with the governmental agency that has guaranteed the loans that are now recognized as claims receivable in Other Assets (Note 2).

(D) Represents the fair value adjustments to loans upon transfer to held-for-sale and provision recorded on certain purchased held-for-sale loans, including an aggregate of $14.0 million of provision related to the call transactions executed during the nine months ended September 30, 2018.

Loans Held-for-Sale, at Fair Value

Activities related to the carrying value of loans held-for-sale, at fair value were as follows:

Balance at December 31, 2017	$	—
Shellpoint acquisition		488,233
Originations		1,678,606
Sales		(1,635,220)
Proceeds from repayments		(3,747)
Change in fair value		(3,009)
Balance at September 30, 2018	$	524,863

Gain on Sale of Originated Mortgage Loans, Net

New Penn, a wholly owned subsidiary of New Residential, originates conventional, government-insured and nonconforming residential mortgage loans for sale and securitization. The GSEs or Ginnie Mae guarantee conventional and government insured mortgage securitizations and mortgage investors issue nonconforming private label mortgage securitizations while New Penn generally retains the right to service the underlying residential mortgage loans. In connection with the transfer of loans to the GSEs or mortgage investors, New Residential reports gain on sale of originated mortgage loans, net in the condensed consolidated statements of income.

Gain on sale of originated mortgage loans, net is summarized below:

Gain on loans originated and sold[A]	$	24,684
Gain (loss) on settlement of mortgage loan origination derivative instruments[B]		(2,757)
MSRs retained on transfer of loans[C]		17,282
Other[D]		6,523
Gain on sale of originated mortgage loans, net	$	45,732

(A) Includes loan origination fees and direct loan origination costs. Other indirect costs related to loan origination are included within general and administrative expenses.
(B) Represents settlement of forward securities delivery commitments utilized as an economic hedge for mortgage loans not included within forward loan sale commitments.
(C) Represents the initial fair value of the capitalized mortgage servicing rights upon loan sales with servicing retained.
(D) Includes fees for services associated with the loan origination process.

Real estate owned (REO)

New Residential recognizes REO assets at the completion of the foreclosure process or upon execution of a deed in lieu of foreclosure with the borrower. REO assets are managed for prompt sale and disposition at the best possible economic value.

		Real Estate Owned
Balance at December 31, 2017	$	128,295
Purchases		26,807
Transfer of loans to real estate owned		83,844
Sales		(123,573)
Valuation (provision) reversal on REO		(213)
Balance at September 30, 2018	$	115,160

As of September 30, 2018, New Residential had residential mortgage loans that were in the process of foreclosure with an unpaid principal balance of $303.8 million.

In addition, New Residential has recognized $20.1 million in unpaid claims receivable from FHA on Ginnie Mae EBO loans and reverse mortgage loans for which foreclosure has been completed and for which New Residential has made, or intends to make, a claim.

Variable Interest Entities

A wholly owned subsidiary of New Penn, Shelter Mortgage Company LLC (“Shelter”) is a mortgage originator specializing in retail origination. Shelter operates its business through a series of joint ventures and was deemed to be the primary beneficiary of the joint ventures as a result of its ability to direct activities that most significantly impact the economic performance of the entities and its ownership of a significant equity investment.

The following table presents information on the assets and liabilities of the Shelter JVs.

	September 30, 2018
Assets	
Cash and cash equivalents	$ 17,421
Property and equipment, net	157
Intangible assets, net	74
Prepaid expenses and other assets	1,309
Total assets	$ 18,961
Liabilities	
Accounts payable and accrued expenses	$ 1,514
Reserve for sales recourse	921
Total liabilities	$ 2,435

Noncontrolling Interests

Noncontrolling interests in the equity of the Shelter JVs is computed as follows:

	September 30, 2018
Total consolidated equity of JVs	$ 16,526
Noncontrolling ownership interest	50.6 %
Noncontrolling equity interest in consolidated JVs	$ 8,362
Total consolidated net income of JVs	$ 2,306
Noncontrolling ownership interest in net income	50.6 %
Noncontrolling interest in net income of consolidated JVs	$ 1,167

As described in “Call Rights” above, New Residential has issued securitizations which were treated as sales under GAAP. New Residential has no obligation to repurchase any loans from these securitizations and its exposure to loss is limited to the carrying amount of its retained interests in the securitization entities. These securitizations are conducted through variable interest entities, of which New Residential is not the primary beneficiary. Additionally, New Penn, a wholly owned subsidiary of New Residential, was deemed to be the primary beneficiary of the SAFT 2013-1 securitization entity as a result of its ability to direct activities that most significantly impact the economic performance of the entity in its role as servicer and its ownership of subordinate retained interests. The following table summarizes certain characteristics of the underlying residential mortgage loans, and related financing, in these securitizations as of September 30, 2018:

Residential mortgage loan UPB	$ 6,878,247
Weighted average delinquency[(A)]	1.88 %
Net credit losses for the nine months ended September 30, 2018	$ 6,486
Face amount of debt held by third parties[(B)]	$ 956,125
Carrying value of bonds retained by New Residential[(C)]	$ 1,230,214
Cash flows received by New Residential on these bonds for the nine months ended September 30, 2018	$ 113,325

(A) Represents the percentage of the UPB that is 60+ days delinquent.
(B) Excludes bonds retained by New Residential.
(C) Includes bonds retained pursuant to required risk retention regulations.

9. INVESTMENTS IN CONSUMER LOANS

New Residential, through newly formed limited liability companies (together, the "Consumer Loan Companies"), has a co-investment in a portfolio of consumer loans. The portfolio includes personal unsecured loans and personal homeowner loans. OneMain is the servicer of the loans and provides all servicing and advancing functions for the portfolio. As of September 30, 2018, New Residential owns 53.5% of the limited liability company interests in, and consolidates, the Consumer Loan Companies.

New Residential also purchased certain newly originated consumer loans from a third party ("Consumer Loan Seller"). These loans are not held in the Consumer Loan Companies and have been designated as performing consumer loans, held-for-investment. In addition, see "Equity Method Investees" below.

The following table summarizes the investment in consumer loans, held-for-investment held by New Residential:

	Unpaid Principal Balance	Interest in Consumer Loans	Carrying Value	Weighted Average Coupon	Weighted Average Expected Life (Years)[A]	Weighted Average Delinquency[B]
September 30, 2018						
Consumer Loan Companies						
Performing Loans	$ 858,817	53.5%	$ 901,166	18.8%	3.7	5.2%
Purchased Credit Deteriorated Loans[C]	236,988	53.5%	196,346	16.0%	3.4	11.3%
Other - Performing Loans	46,253	100.0%	43,257	14.1%	0.8	5.8%
Total Consumer Loans, held-for-investment	$ 1,142,058		$ 1,140,769	18.0%	3.5	6.5%
December 31, 2017						
Consumer Loan Companies						
Performing Loans	$ 1,005,570	53.5%	$ 1,052,561	18.7%	3.7	6.0%
Purchased Credit Deteriorated Loans[C]	282,540	53.5%	236,449	16.2%	3.3	12.5%
Other - Performing Loans	89,682	100.0%	85,253	14.1%	1.0	4.5%
Total Consumer Loans, held-for-investment	$ 1,377,792		$ 1,374,263	17.9%	3.5	7.3%

(A) Represents the weighted average expected timing of the receipt of expected cash flows for this investment.

(B) Represents the percentage of the total unpaid principal balance that is 30+ days delinquent. Delinquency status is the primary credit quality indicator as it provides early warning of borrowers who may be experiencing financial difficulties.

(C) Includes loans with evidence of credit deterioration since origination where it is probable that New Residential will not collect all contractually required principal and interest payments, which are accounted for as PCD loans.

See Note 11 regarding the financing of consumer loans.

Performing Loans

The following table provides past due information regarding New Residential's performing consumer loans, held-for-investment, which is an important indicator of credit quality and the establishment of the allowance for loan losses:

	September 30, 2018
Days Past Due	**Delinquency Status[A]**
Current	94.7%
30-59	2.0%
60-89	1.3%
90-119[B]	0.8%
120+[B] [C]	1.2%
	100.0%

(A) Represents the percentage of the total unpaid principal balance that corresponds to loans that are in each delinquency status.

(B) Includes loans more than 90 days past due and still accruing interest.
(C) Interest is accrued up to the date of charge-off at 180 days past due.

Activities related to the carrying value of performing consumer loans, held-for-investment were as follows:

	Performing Loans
Balance at December 31, 2017	$ 1,137,814
Purchases	—
Additional fundings[A]	45,017
Proceeds from repayments	(196,589)
Accretion of loan discount and premium amortization, net	1,596
Gross charge-offs	(45,112)
Additions to the allowance for loan losses, net	1,697
Balance at September 30, 2018	$ 944,423

(A) Represents draws on consumer loans with revolving privileges.

Activities related to the allowance for loan losses on performing consumer loans, held-for-investment were as follows:

	Collectively Evaluated[A]	Individually Impaired[B]	Total
Balance at December 31, 2017	$ 4,429	$ 1,676	$ 6,105
Provision (reversal) for loan losses	36,860	(264)	36,596
Net charge-offs[C]	(38,293)	—	(38,293)
Balance at September 30, 2018	$ 2,996	$ 1,412	$ 4,408

(A) Represents smaller-balance homogeneous loans that are not individually considered impaired and are evaluated based on an analysis of collective borrower performance, key terms of the loans and historical and anticipated trends in defaults and loss severities, and consideration of the unamortized acquisition discount.
(B) Represents consumer loan modifications considered to be troubled debt restructurings ("TDRs") as they provide concessions to borrowers, primarily in the form of interest rate reductions, who are experiencing financial difficulty. As of September 30, 2018, there are $14.4 million in UPB and $13.4 million in carrying value of consumer loans classified as TDRs.
(C) Consumer loans, other than PCD loans, are charged off when available information confirms that loans are uncollectible, which is generally when they become 180 days past due. Charge-offs are presented net of $6.8 million in recoveries of previously charged-off UPB.

Purchased Credit Deteriorated Loans

A portion of the consumer loans are considered PCD loans. Activities related to the carrying value of PCD consumer loans, held-for-investment were as follows:

Balance at December 31, 2017	$ 236,449
(Allowance) reversal for loan losses[A]	—
Proceeds from repayments	(68,221)
Accretion of loan discount and other amortization	28,118
Balance at September 30, 2018	$ 196,346

(A) An allowance represents the present value of cash flows expected at acquisition that are no longer expected to be collected. A reversal results from an increase to expected cash flows that reverses a prior allowance.

The following is the unpaid principal balance and carrying value for consumer loans, for which, as of the acquisition date, it was probable that New Residential would be unable to collect all contractually required payments:

	Unpaid Principal Balance	Carrying Value
September 30, 2018	$ 236,988	$ 196,346
December 31, 2017	282,540	236,449

The following is a summary of the changes in accretable yield for these loans:

Balance at December 31, 2017	$ 132,291
Accretion	(28,118)
Reclassifications from (to) non-accretable difference[(A)]	28,474
Balance at September 30, 2018	$ 132,647

(A) Represents a probable and significant increase (decrease) in cash flows previously expected to be uncollectible.

Noncontrolling Interests

Others' interests in the equity of the Consumer Loan Companies is computed as follows:

	September 30, 2018	December 31, 2017
Total Consumer Loan Companies equity	$ 67,200	$ 74,071
Others' ownership interest	46.5%	46.5%
Others' interests in equity of consolidated subsidiary	$ 31,248	$ 34,466

Others' interests in the Consumer Loan Companies' net income (loss) is computed as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net Consumer Loan Companies income (loss)	$ 21,038	$ 26,616	$ 61,359	$ 74,580
Others' ownership interest as a percent of total	46.5%	46.5%	46.5%	46.5%
Others' interest in net income (loss) of consolidated subsidiaries	$ 9,783	$ 12,376	$ 28,533	$ 34,679

Variable Interest Entities

The Consumer Loan Companies consolidate certain entities that issued securitized debt collateralized by the consumer loans (the "Consumer Loan SPVs"). The Consumer Loan SPVs are VIEs of which the Consumer Loan Companies are the primary beneficiaries. The following table presents information on the combined assets and liabilities related to these consolidated VIEs.

	As of	
	September 30, 2018	December 31, 2017
Assets		
Consumer loans, held-for-investment	$ 1,097,512	$ 1,289,010
Restricted cash	10,479	11,563
Accrued interest receivable	16,351	19,360
Total assets[(A)]	$ 1,124,342	$ 1,319,933
Liabilities		
Notes and bonds payable[(B)]	$ 1,088,954	$ 1,284,436
Accounts payable and accrued expenses	4,144	4,007
Total liabilities[(A)]	$ 1,093,098	$ 1,288,443

(A) The creditors of the Consumer Loan SPVs do not have recourse to the general credit of New Residential, and the assets of the Consumer Loan SPVs are not directly available to satisfy New Residential's obligations.

(B) Includes $121.0 million face amount of bonds retained by New Residential issued by these VIEs.

Equity Method Investees

In February 2017, New Residential completed a co-investment, through a newly formed entity, PF LoanCo Funding LLC ("LoanCo"), to purchase up to $5.0 billion worth of newly originated consumer loans from Consumer Loan Seller over a two year term. New Residential, along with three co-investors, each acquired 25% membership interests in LoanCo. New Residential accounts for its investment in LoanCo pursuant to the equity method of accounting because it can exercise significant influence over LoanCo but the requirements for consolidation are not met. New Residential's investment in LoanCo is recorded as Investment in Consumer Loans, Equity Method Investees. LoanCo has elected to account for its investments in consumer loans at fair value. New Residential has elected to record LoanCo's activity on a one month lag.

In addition, New Residential and the LoanCo co-investors agreed to purchase warrants to purchase up to 177.7 million shares of Series F convertible preferred stock in the Consumer Loan Seller's parent company ("ParentCo"), which were valued at approximately $75.0 million in the aggregate as of February 2017, through a newly formed entity, PF WarrantCo Holdings, LP ("WarrantCo"). New Residential acquired a 23.57% interest in WarrantCo, the remaining interest being acquired by three co-investors. WarrantCo has agreed to purchase a pro rata portion of the warrants each time LoanCo closes on a portion of its consumer loan purchase agreement from Consumer Loan Seller. The holder of the warrants has the option to purchase an equivalent number of shares of Series F convertible preferred stock in ParentCo at a price of $0.01 per share. WarrantCo is vested in the warrants to purchase an aggregate of 96.3 million Series F convertible preferred stock in ParentCo as of August 31, 2018, and New Residential and LoanCo co-investors are vested in the warrants to purchase an aggregate of 30.0 million Series F convertible preferred stock in ParentCo as of August 31, 2018. The Series F convertible preferred stock holders have the right to convert such preferred stock to common stock at any time, are entitled to the number of votes equal to the number of shares of common stock into which such shares of convertible preferred stock could be converted, and will have liquidation rights in the event of liquidation. New Residential accounts for its investment in WarrantCo pursuant to the equity method of accounting because it can exercise significant influence over WarrantCo but the requirements for consolidation are not met. New Residential's investment in WarrantCo is recorded as Investment in Consumer Loans, Equity Method Investees. WarrantCo has elected to account for its investments in warrants at fair value. New Residential has elected to record WarrantCo's activity on a one month lag.

The following tables summarize the investment in LoanCo and WarrantCo held by New Residential:

	September 30, 2018[A]	December 31, 2017
Consumer loans, at fair value	$ 85,424	$ 178,422
Warrants, at fair value	110,311	80,746
Other assets	56,296	46,342
Warehouse financing	(49,668)	(117,944)
Other liabilities	(8,909)	(13,059)
Equity	$ 193,454	$ 174,507
Undistributed retained earnings	$ —	$ —
New Residential's investment	$ 46,888	$ 42,473
New Residential's ownership	24.2%	24.3%

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018[B]	2017[B]	2018[B]	2017[B]
Interest income	$ 16,513	$ 12,276	$ 38,032	$ 25,105
Interest expense	(4,364)	(2,635)	(10,082)	(5,768)
Change in fair value of consumer loans and warrants	5,676	12,475	24,750	16,030
Gain on sale of consumer loans	2,379	6,928	3,512	18,778
Other expenses	(1,604)	(1,459)	(6,201)	(3,039)
Net income	$ 18,600	$ 27,585	$ 50,011	$ 51,106
New Residential's equity in net income	$ 4,555	$ 6,769	$ 12,343	$ 12,649
New Residential's ownership	24.5%	24.5%	24.7%	24.8%

(A) Data as of August 31, 2018 as a result of the one month reporting lag.
(B) Data for the periods ended August 31, 2018 and 2017, respectively, as a result of the one month reporting lag.

The following is a summary of LoanCo's consumer loan investments:

	Unpaid Principal Balance	Interest in Consumer Loans	Carrying Value	Weighted Average Coupon	Weighted Average Expected Life (Years)[A]	Weighted Average Delinquency[B]
September 30, 2018[C]	$ 85,424	25.0%	$ 85,424	14.4%	1.2	2.3%

(A) Represents the weighted average expected timing of the receipt of expected cash flows for this investment.
(B) Represents the percentage of the total unpaid principal balance that is 30+ days delinquent. Delinquency status is the primary credit quality indicator as it provides early warning of borrowers who may be experiencing financial difficulties.
(C) Data as of August 31, 2018 as a result of the one month reporting lag.

New Residential's investment in LoanCo and WarrantCo changed as follows:

Balance at December 31, 2017	$ 51,412
Contributions to equity method investees	292,616
Distributions of earnings from equity method investees	(6,176)
Distributions of capital from equity method investees	(305,408)
Earnings from investments in consumer loans, equity method investees	12,343
Balance at September 30, 2018	$ 44,787

10. DERIVATIVES

As of September 30, 2018, New Residential's derivative instruments included economic hedges that were not designated as hedges for accounting purposes. New Residential uses economic hedges to hedge a portion of its interest rate risk exposure. Interest rate risk is sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations, as well as other factors. New Residential's credit risk with respect to economic hedges is the risk of default on New Residential's investments that results from a borrower's or counterparty's inability or unwillingness to make contractually required payments.

As of September 30, 2018, New Residential held to-be-announced forward contract positions ("TBAs") of $5.5 billion in a short notional amount of Agency RMBS and any amounts or obligations owed by or to New Residential are subject to the right of set-off with the TBA counterparty. New Residential's net short position in TBAs was entered into as an economic hedge in order to mitigate New Residential's interest rate risk on certain specified mortgage backed securities. As of September 30, 2018, New Residential separately held TBAs of $4.2 billion in a long notional amount of Agency RMBS and any amounts or obligations owed by or to New Residential are subject to the right of set-off with the TBA counterparty. As part of executing these trades, New Residential has entered into agreements with its TBA counterparties that govern the transactions for the TBA purchases or sales made, including margin maintenance, payment and transfer, events of default, settlements, and various other provisions. New Residential has fulfilled all obligations and requirements entered into under these agreements.

In addition, as of September 30, 2018, New Residential held Interest rate lock commitments ("IRLCs") and forward loan sale and securities delivery commitments of $572.7 million and $28.4 million, respectively. IRLCs represent a commitment to a particular interest rate provided the borrower is able to close the loan within a specified period and mortgage loan sale commitments represent a commitment to sell specific mortgage loans at prices which are fixed as of the forward commitment date.

New Residential's derivatives are recorded at fair value on the Condensed Consolidated Balance Sheets as follows:

	Balance Sheet Location	September 30, 2018	December 31, 2017
Derivative assets			
Interest Rate Caps	Other assets	$ 8	$ 2,423
Interest Rate Lock Commitments	Other assets	8,357	—
Forward Loan Sale Commitments	Other assets	305	—
TBAs	Other assets	18,542	—
		$ 27,212	$ 2,423
Derivative liabilities			
Interest Rate Swaps[(A)]	Accrued expenses and other liabilities	$ 2,294	$ —
TBAs	Accrued expenses and other liabilities	—	697
		$ 2,294	$ 697

(A) Net of $6.8 million of related variation margin accounts as of September 30, 2018. As of December 31, 2017, no variation margin accounts existed.

The following table summarizes notional amounts related to derivatives:

	September 30, 2018	December 31, 2017
Interest Rate Caps[(A)]	$ 162,500	$ 772,500
Interest Rate Swaps[(B)]	4,242,000	—
Interest Rate Lock Commitments	572,654	—
Forward Loan Sale Commitments	28,402	—
TBAs, short position[(C)]	5,466,100	3,101,100
TBAs, long position[(C)]	4,207,800	1,014,000

(A) As of September 30, 2018, caps LIBOR at 4.00% for $162.5 million of notional. The weighted average maturity of the interest rate caps as of September 30, 2018 was 4 months.
(B) Receive LIBOR and pay a fixed rate. The weighted average maturity of the interest rate swaps as of September 30, 2018 was 50 months and the weighted average fixed pay rate was 2.93%.
(C) Represents the notional amount of Agency RMBS, classified as derivatives.

The following table summarizes all income (losses) recorded in relation to derivatives:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2018	2017	2018	2017
Other income (loss), net[A]				
Interest Rate Caps	$ (2)	$ (1,083)	$ 436	$ (1,353)
Interest Rate Swaps	18,785	5,300	19,668	349
Unrealized gains(losses) on Interest Rate Lock Commitments	(2,247)	—	(2,247)	—
Forward Loan Sale Commitments	(17)	—	(17)	—
TBAs	$ 7,780	$ (657)	$ 10,145	$ 880
	24,299	3,560	27,985	(124)
Gain (loss) on settlement of investments, net				
Interest Rate Caps	—	322	(603)	(240)
Interest Rate Swaps	(656)	(2,499)	37,287	(12,097)
TBAs[B]	20,115	(16,579)	39,408	(45,989)
	19,459	(18,756)	76,092	(58,326)
Total income (losses)	$ 43,758	$ (15,196)	$ 104,077	$ (58,450)

(A) Represents unrealized gains (losses).
(B) Excludes $2.8 million in loss on settlement included within gain on sale of originated mortgage loans, net (Note 8).

11. DEBT OBLIGATIONS

The following table presents certain information regarding New Residential's debt obligations:

	September 30, 2018									December 31, 2017
						Collateral				
Debt Obligations/Collateral	Outstanding Face Amount	Carrying Value[A]	Final Stated Maturity[B]	Weighted Average Funding Cost	Weighted Average Life (Years)	Outstanding Face	Amortized Cost Basis	Carrying Value	Weighted Average Life (Years)	Carrying Value[A]
Repurchase Agreements[C]										
Agency RMBS[D]	$ 4,152,930	$ 4,152,930	Oct-18	2.24%	0.1	$ 4,270,689	$ 4,338,416	$ 4,304,875	2.0	$ 1,974,164
Non-Agency RMBS[E]	7,438,875	7,438,647	Oct-18 to Mar-19	3.32%	0.1	15,895,795	8,379,793	8,861,324	7.1	4,720,290
Residential Mortgage Loans[F]	2,707,458	2,706,521	Oct-18 to Aug-20	3.92%	0.5	3,155,945	2,992,424	2,996,601	11.2	1,849,004
Real Estate Owned[G][H]	88,960	88,922	Oct-18 to Dec-19	4.36%	0.2	N/A	N/A	108,684	N/A	118,681
Total Repurchase Agreements	14,388,223	14,387,020		3.13%	0.2					8,662,139
Notes and Bonds Payable										
Excess MSRs[I]	297,759	297,563	Feb-20 to Jul-22	4.90%	3.0	144,869,048	386,578	492,684	5.7	483,978
MSRs[J]	2,450,580	2,441,750	Feb-19 to Jul-24	4.24%	3.2	382,479,510	3,741,451	4,553,076	6.7	1,157,179
Servicer Advances[K]	3,390,918	3,385,842	Mar-19 to Dec-21	3.54%	2.0	3,832,948	4,000,262	4,017,057	1.4	4,060,156
Residential Mortgage Loans[L]	125,355	123,097	Oct-18 to Jul-43	3.74%	6.3	132,091	128,702	125,928	6.4	137,196
Consumer Loans[M]	1,008,341	1,004,608	Dec-21 to Mar-24	3.39%	2.9	1,141,907	1,145,026	1,140,618	3.5	1,242,756
Receivable from government agency[L]	2,086	2,086	Oct-18	4.42%	0.1	N/A	N/A	1,461	N/A	3,126
Total Notes and Bonds Payable	7,275,039	7,254,946		3.82%	2.6					7,084,391
Total/ Weighted Average	$ 21,663,262	$ 21,641,966		3.36%	1.0					$ 15,746,530

(A) Net of deferred financing costs.

(B) All debt obligations with a stated maturity through October 30, 2018 were refinanced, extended or repaid.

(C) These repurchase agreements had approximately $27.6 million of associated accrued interest payable as of September 30, 2018.

(D) All of the Agency RMBS repurchase agreements have a fixed rate. Collateral amounts include approximately $3.4 billion of related trade and other receivables.

(E) $7,193.3 million face amount of the Non-Agency RMBS repurchase agreements have LIBOR-based floating interest rates while the remaining $245.6 million face amount of the Non-Agency RMBS repurchase agreements have a fixed rate. This also includes repurchase agreements of $166.1 million on retained servicer advance and consumer loan bonds.

(F) All of these repurchase agreements have LIBOR-based floating interest rates.

(G) All of these repurchase agreements have LIBOR-based floating interest rates.

(H) Includes financing collateralized by receivables including claims from FHA on Ginnie Mae EBO loans for which foreclosure has been completed and for which New Residential has made or intends to make a claim on the FHA guarantee.

(I) Includes $197.8 million of corporate loans which bear interest equal to the sum of (i) a floating rate index equal to one-month LIBOR and (ii) a margin of 3.00%, and includes corporate loans with $100.0 million balance currently outstanding which bear interest equal to the sum of (i) a floating rate index equal to one-month LIBOR and (ii) a margin of 2.50%. The outstanding face amount of the collateral represents the UPB of the residential mortgage loans underlying the interests in MSRs that secure these notes.

(J) Includes: $574.5 million of MSR notes which bear interest equal to the sum of (i) a floating rate index equal to one-month LIBOR and (ii) a margin of 2.25%; $38.4 million of MSR notes which bear interest equal to the sum of (i) a floating rate index equal to one-month LIBOR and (ii) a margin of 2.50%; and $1,837.7 million of public notes with fixed interest rates ranging from 3.55% to 4.62%. The outstanding face amount of the collateral represents the UPB of the residential mortgage loans underlying the MSRs and mortgage servicing rights financing receivables that secure these notes.

(K) $3.0 billion face amount of the notes have a fixed rate while the remaining notes bear interest equal to the sum of (i) a floating rate index equal to one-month LIBOR or a cost of funds rate, as applicable, and (ii) a margin ranging from 2.0%

to 2.2%. Collateral includes Servicer Advance Investments, as well as servicer advances receivable related to the mortgage servicing rights and mortgage servicing rights financing receivables owned by NRM.

(L) Represents: (i) a $7.7 million note payable to Nationstar that bears interest equal to one-month LIBOR plus 2.88%.

(M) Includes the SpringCastle debt, which is comprised of the following classes of asset-backed notes held by third parties: $730.3 million UPB of Class A notes with a coupon of 3.05% and a stated maturity date in November 2023; $210.8 million UPB of Class B notes with a coupon of 4.10% and a stated maturity date in March 2024; $18.3 million UPB of Class C-1 notes with a coupon of 5.63% and a stated maturity date in March 2024; $18.3 million UPB of Class C-2 notes with a coupon of 5.63% and a stated maturity date in March 2024. Also includes a $30.6 million face amount note which bears interest equal to 4.00%.

As of September 30, 2018, New Residential had no outstanding repurchase agreements where the amount at risk with any individual counterparty or group of related counterparties exceeded 10% of New Residential's stockholders' equity. The amount at risk under repurchase agreements is defined as the excess of carrying amount (or market value, if higher than the carrying amount) of the securities or other assets sold under agreement to repurchase, including accrued interest plus any cash or other assets on deposit to secure the repurchase obligation, over the amount of the repurchase liability (adjusted for accrued interest).

General

Certain of the debt obligations included above are obligations of New Residential's consolidated subsidiaries, which own the related collateral. In some cases, such collateral is not available to other creditors of New Residential.

New Residential has margin exposure on $14.4 billion of repurchase agreements as of September 30, 2018. To the extent that the value of the collateral underlying these repurchase agreements declines, New Residential may be required to post margin, which could significantly impact its liquidity.

Activities related to the carrying value of New Residential's debt obligations were as follows:

	Excess MSRs	MSRs	Servicer Advances[A]	Real Estate Securities	Residential Mortgage Loans and REO	Consumer Loans	Total
Balance at December 31, 2017	$ 483,978	$ 1,157,179	$ 4,060,156	$ 6,694,454	$ 2,108,007	$ 1,242,756	$15,746,530
Repurchase Agreements:							
Borrowings[B]	—	—	—	59,467,769	4,668,289	—	64,136,058
Repayments	—	—	—	(54,570,418)	(3,841,165)	—	(58,411,583)
Capitalized deferred financing costs, net of amortization	—	—	—	(228)	634	—	406
Notes and Bonds Payable:							
Borrowings[B]	240,000	3,543,776	3,784,496	—	120,702	—	7,688,974
Repayments	(426,440)	(2,251,280)	(4,460,114)	—	(134,941)	(239,709)	(7,512,484)
Discount on borrowings, net of amortization	—	—	33	—	—	1,187	1,220
Unrealized gain on notes, fair value	—	—	—	—	(900)	—	(900)
Capitalized deferred financing costs, net of amortization	25	(7,925)	1,271	—	—	374	(6,255)
Balance at September 30, 2018	$ 297,563	$ 2,441,750	$ 3,385,842	$ 11,591,577	$ 2,920,626	$ 1,004,608	$21,641,966

(A) New Residential net settles daily borrowings and repayments of the Notes and Bonds Payable on its servicer advances.

(B) Includes $639.0 million of borrowings associated with the Shellpoint Acquisition.

Maturities

New Residential's debt obligations as of September 30, 2018 had contractual maturities as follows:

Year	Nonrecourse	Recourse	Total
October 1 through December 31, 2018	$ —	$ 12,480,602	$ 12,480,602
2019	826,188	2,472,426	3,298,614
2020	812,745	115,465	928,210
2021	1,784,596	784,589	2,569,185
2022	38,378	197,759	236,137
2023 and thereafter	1,097,462	1,053,052	2,150,514
	$ 4,559,369	$ 17,103,893	$ 21,663,262

Borrowing Capacity

The following table represents New Residential's borrowing capacity as of September 30, 2018:

Debt Obligations / Collateral	Borrowing Capacity	Balance Outstanding	Available Financing
Repurchase Agreements			
Residential mortgage loans and REO	$ 5,197,961	$ 2,796,418	$ 2,401,543
Notes and Bonds Payable			
Excess MSRs	150,000	100,000	50,000
MSRs	990,000	612,899	377,101
Servicer advances[(A)]	1,710,000	1,377,259	332,741
Consumer loans	150,000	30,607	119,393
	$ 8,197,961	$ 4,917,183	$ 3,280,778

(A) New Residential's unused borrowing capacity is available if New Residential has additional eligible collateral to pledge and meets other borrowing conditions as set forth in the applicable agreements, including any applicable advance rate. New Residential pays a 0.1% fee on the unused borrowing capacity. Excludes borrowing capacity and outstanding debt for retained Non-Agency bonds collateralized by servicer advances with a current face amount of $86.3 million.

Certain of the debt obligations are subject to customary loan covenants and event of default provisions, including event of default provisions triggered by certain specified declines in New Residential's equity or a failure to maintain a specified tangible net worth, liquidity, or indebtedness to tangible net worth ratio. New Residential was in compliance with all of its debt covenants as of September 30, 2018.

12. FAIR VALUE MEASUREMENT

The carrying values and fair values of New Residential's assets and liabilities recorded at fair value on a recurring basis, as well as other financial instruments for which fair value is disclosed, as of September 30, 2018 were as follows:

	Principal Balance or Notional Amount	Carrying Value	Fair Value			
			Level 1	Level 2	Level 3	Total
Assets						
Investments in:						
Excess mortgage servicing rights, at fair value[(A)]	$ 112,054,333	$ 467,061	$ —	$ —	$ 467,061	$ 467,061
Excess mortgage servicing rights, equity method investees, at fair value[(A)]	44,239,405	154,939	—	—	154,939	154,939
Mortgage servicing rights, at fair value [(A)]	246,949,863	2,872,004	—	—	2,872,004	2,872,004
Mortgage servicing rights financing receivables, at fair value	135,529,647	1,681,072	— —	—	1,681,072	1,681,072
Servicer advance investments, at fair value	637,102	799,936	—	—	799,936	799,936
Real estate and other securities, available-for-sale	20,633,278	11,650,257	—	2,673,863	8,976,394	11,650,257
Residential mortgage loans, held-for-investment	629,017	652,717	—	—	652,529	652,529
Residential mortgage loans, held-for-sale	2,091,784	1,996,303	—	—	2,037,078	2,037,078
Residential mortgage loans, held-for-sale, at fair value	514,516	524,863	—	468,824	56,038	524,862
Residential mortgage loans, held-for-investment, at fair value	124,079	123,606	—	—	123,606	123,606
Residential mortgage loans subject to repurchase	110,181	110,181	—	110,181	—	110,181
Consumer loans, held-for-investment	1,142,058	1,140,769	—	—	1,128,410	1,128,410
Derivative assets	10,437,456	27,212	—	18,854	8,357	27,211
Cash and cash equivalents	330,148	330,148	330,148	—	—	330,148
Restricted cash	155,749	155,749	155,749	—	—	155,749
Other assets		33,642	23,876	—	9,766	33,642
		$ 22,720,459	$ 509,773	$ 3,271,722	$ 18,967,190	$ 22,748,685
Liabilities						
Repurchase agreements	$ 14,388,223	$ 14,387,020	$ —	$ 14,388,223	$ —	$ 14,388,223
Notes and bonds payable[(B)]	7,275,039	7,254,946	—	—	7,240,544	7,240,544
Residential mortgage loans repurchase liability	110,181	110,181	—	110,181	—	110,181
Derivative liabilities	4,242,000	2,294	—	2,294	—	2,294
Excess spread financing	3,608,770	44,374	—	—	44,374	44,374
Contingent consideration	N/A	42,770	—	—	42,770	42,770
		$ 21,841,585	$ —	$ 14,500,698	$ 7,327,688	$ 21,828,386

(A) The notional amount represents the total unpaid principal balance of the residential mortgage loans underlying the MSRs, MSR financing receivables and Excess MSRs. New Residential does not receive an excess mortgage servicing amount on non-performing loans in Agency portfolios.

(B) Includes the SAFT 2013-1 mortgage-backed securities issued for which the fair value option for financial instruments was elected and resulted in a fair value of $117.5 million as of September 30, 2018.

New Residential's assets measured at fair value on a recurring basis using Level 3 inputs changed as follows:

	Level 3									
	Excess MSRs[A]		Excess MSRs in Equity Method Investees[A][B]	MSRs[A]	Mortgage Servicing Rights Financing Receivable[A]	Servicer Advance Investments	Non-Agency RMBS	Derivatives	Residential Mortgage Loans	Total
	Agency	Non-Agency								
Balance at December 31, 2017	$ 324,636	$ 849,077	$ 171,765	$ 1,735,504	$ 598,728	$ 4,027,379	$ 5,974,789	$ —	$ —	$ 13,681,878
Transfers[C]										
Transfers from Level 3	—	—	—	—	—	—	—	—	—	—
Transfers to Level 3	—	—	—	—	—	—	—	—	—	—
Shellpoint Acquisition (Note 1)	—	—	—	286,600	(135,288)	—	—	10,604	156,823	318,739
Gains (losses) included in net income										
Included in other-than-temporary impairment on securities[D]	—	—	—	—	—	—	(18,113)	—	—	(18,113)
Included in change in fair value of investments in excess mortgage servicing rights[D]	(14,738)	(40,973)	—	—	—	—	—	—	—	(55,711)
Included in change in fair value of investments in excess mortgage servicing rights, equity method investees[D]	—	—	5,624	—	—	—	—	—	—	5,624
Included in servicing revenue, net[E]	—	—	—	31,252	—	—	—	—	—	31,252
Included in change in fair value of investments in mortgage servicing rights financing receivables[D]	—	—	—	—	63,628	—	—	—	—	63,628
Included in change in fair value of servicer advance investments	—	—	—	—	—	(86,581)	—	—	—	(86,581)
Included in gain (loss) on settlement of investments, net	—	40,417	—	—	—	72,585	(994)	—	—	112,008
Included in other income (loss), net[D]	4,401	200	—	—	—	—	12,001	(2,247)	(692)	13,663
Gains (losses) included in other comprehensive income[F]	—	—	—	—	—	—	97,538	—	—	97,538
Interest income	16,954	15,417	—	—	—	43,122	239,036	—	—	314,529
Purchases, sales and repayments										
Purchases	—	—	—	801,366	138,993	1,817,581	3,475,138	—	36,520	6,269,598
Proceeds from sales	(12,380)	—	—	—	(2,982)		(81,325)	—	(19,900)	(116,587)
Proceeds from repayments	(45,020)	(32,363)	(22,450)	—	—	(1,871,312)	(721,676)	—	(3,236)	(2,696,057)
Other	—	—	—	17,282	—	—	—	—	—	17,282
New Ocwen Agreements (Note 5)	—	(638,567)	—	—	1,017,993	(3,202,838)	—	—	—	(2,823,412)
Balance at September 30, 2018	$ 273,853	$ 193,208	$ 154,939	$ 2,872,004	$ 1,681,072	$ 799,936	$ 8,976,394	$ 8,357	$ 169,515	$ 15,129,278

(A) Includes the recapture agreement for each respective pool, as applicable.

(B) Amounts represent New Residential's portion of the Excess MSRs held by the respective joint ventures in which New Residential has a 50% interest.

(C) Transfers are assumed to occur at the beginning of the respective period.

(D) The gains (losses) recorded in earnings during the period are attributable to the change in unrealized gains (losses) relating to Level 3 assets still held at the reporting dates and realized gains (losses) recorded during the period.

(E) The components of Servicing revenue, net are disclosed in Note 5.

(F) These gains (losses) were included in net unrealized gain (loss) on securities in the Condensed Consolidated Statements of Comprehensive Income.

New Residential's liabilities measured at fair value on a recurring basis using Level 3 inputs changed as follows:

	Level 3			
	Excess Spread Financing	Mortgage-Backed Securities Issued	Contingent Consideration	Total
Balance at December 31, 2017	$ —	$ —	$ —	$ —
Transfers[A]				
Transfers from Level 3	—	—	—	—
Transfers to Level 3	—	—	—	—
Shellpoint Acquisition (Note 1)	48,262	120,702	42,770	211,734
Gains (losses) included in net income				
Included in other-than-temporary impairment on securities[B]	—	—	—	—
Included in change in fair value of investments in excess mortgage servicing rights	—	—	—	—
Included in change in fair value of investments in excess mortgage servicing rights, equity method investees[B]	—	—	—	—
Included in servicing revenue, net[C]	(3,888)	—	—	(3,888)
Included in change in fair value of investments in notes receivable - rights to MSRs	—	—	—	—
Included in change in fair value of servicer advance investments	—	—	—	—
Included in gain (loss) on settlement of investments, net	—	—	—	—
Included in other income[B]	—	(900)	—	(900)
Gains (losses) included in other comprehensive income, net of tax[D]	—	—	—	—
Interest income	—	—	—	—
Purchases, sales and repayments				
Purchases	—	—	—	—
Proceeds from sales	—	—	—	—
Proceeds from repayments	—	(2,332)	—	(2,332)
Other	—	—	—	—
Ocwen Transaction	—	—	—	—
Balance at September 30, 2018	$ 44,374	$ 117,470	$ 42,770	$ 204,614

(A) Transfers are assumed to occur at the beginning of the respective period.

(B) The gains (losses) recorded in earnings during the period are attributable to the change in unrealized gains (losses) relating to Level 3 assets still held at the reporting dates and realized gains (losses) recorded during the period.

(C) The components of Servicing revenue, net are disclosed in Note 5.

(D) These gains (losses) were included in net unrealized gain (loss) on securities in the Condensed Consolidated Statements of Comprehensive Income.

Investments in Excess MSRs, Excess MSRs Equity Method Investees, MSRs and MSR Financing Receivables Valuation

The following table summarizes certain information regarding the weighted average inputs used as of September 30, 2018:

	Significant Inputs[A]				
	Prepayment Rate[B]	Delinquency[C]	Recapture Rate[D]	Mortgage Servicing Amount or Excess Mortgage Servicing Amount (bps)[E]	Collateral Weighted Average Maturity (Years)[F]
Excess MSRs Directly Held (Note 4)					
Agency					
Original Pools	9.7%	2.6%	26.1%	21	22
Recaptured Pools	7.4%	2.2%	23.8%	22	24
Recapture Agreement	7.2%	2.2%	24.6%	22	—
	8.8%	2.5%	25.4%	21	23
Non-Agency[G]					
Nationstar and SLS Serviced:					
Original Pools	10.6%	N/A	15.4%	15	24
Recaptured Pools	9.1%	N/A	20.2%	23	24
Recapture Agreement	9.1%	N/A	20.1%	20	—
	10.3%	N/A	16.3%	16	24
Total/Weighted Average--Excess MSRs Directly Held	9.4%	2.5%	21.6%	19	23
Excess MSRs Held through Equity Method Investees (Note 4)					
Agency					
Original Pools	10.8%	4.0%	28.8%	19	21
Recaptured Pools	7.7%	2.6%	29.2%	23	23
Recapture Agreement	7.8%	2.7%	30.5%	23	—
Total/Weighted Average--Excess MSRs Held through Investees	9.2%	3.3%	29.2%	21	22
Total/Weighted Average--Excess MSRs All Pools	9.3%	2.8%	24.5%	20	23
MSRs					
Agency					
Mortgage Servicing Rights[H] [I]	8.9%	1.2%	22.9%	26	22
Mortgage Servicing Rights Financing Receivables	9.2%	1.1%	14.3%	27	20
Non-Agency					
Mortgage Servicing Rights	14.0%	0.9%	10.0%	26	26
Mortgage Servicing Rights Financing Receivables	8.4%	15.1%	5.0%	45	26
Ginnie Mae					
Mortgage Servicing Rights[I]	10.4%	3.6%	23.6%	34	27

(A) Weighted by fair value of the portfolio.

(B) Projected annualized weighted average lifetime voluntary and involuntary prepayment rate using a prepayment vector.

(C) Projected percentage of residential mortgage loans in the pool for which the borrower will miss its mortgage payments.

(D) Percentage of voluntarily prepaid loans that are expected to be refinanced by the related servicer or subservicer, as applicable.

(E) Weighted average total mortgage servicing amount, in excess of the basic fee as applicable, measured in basis points (bps). A weighted average cost of subservicing of $7.40 per loan per month was used to value the agency MSRs, including MSR Financing Receivables. A weighted average cost of subservicing of $11.52 per loan per month was used to value

the non-agency MSRs, including MSR Financing Receivables. A weighted average cost of subservicing of $10.02 per loan per month was used to value the Ginnie Mae MSRs.

(F) Weighted average maturity of the underlying residential mortgage loans in the pool.

(G) For certain pools, the Excess MSR will be paid on the total UPB of the mortgage portfolio (including both performing and delinquent loans until REO). For these pools, no delinquency assumption is used.

(H) For certain pools, recapture rate represents the expected recapture rate with the successor subservicer appointed by NRM.

(I) Includes valuation of the related Excess spread financing (Note 5).

With respect to valuing the Ocwen-serviced mortgage servicing rights financing receivables, which include a significant servicer advances receivable component, the cost of financing servicer advances receivable is assumed to be LIBOR plus 0.9%.

As of September 30, 2018, a weighted average discount rate of 8.8% was used to value New Residential's investments in Excess MSRs (directly and through equity method investees). As of September 30, 2018, a weighted average discount rate of 8.7% was used to value New Residential's investments in MSRs and a weighted average discount rate of 10.3% was used to value New Residential's investments in MSR financing receivables.

Servicer Advance Investments Valuation

The following table summarizes certain information regarding the inputs used in valuing the Servicer Advance Investments, including the basic fee component of the related MSRs:

	Significant Inputs					
	Weighted Average					
	Outstanding Servicer Advances to UPB of Underlying Residential Mortgage Loans	Prepayment Rate[A]	Delinquency	Mortgage Servicing Amount[B]	Discount Rate	Collateral Weighted Average Maturity (Years)[C]
September 30, 2018	1.5%	11.1%	18.2%	19.6 bps	5.9%	23.2

(A) Projected annual weighted average lifetime voluntary and involuntary prepayment rate using a prepayment vector.

(B) Mortgage servicing amount is net of 9.3 bps which represents the amount New Residential paid its servicers as a monthly servicing fee.

(C) Weighted average maturity of the underlying residential mortgage loans in the pool.

Real Estate and Other Securities Valuation

As of September 30, 2018, New Residential's securities valuation methodology and results are further detailed as follows:

			Fair Value			
Asset Type	Outstanding Face Amount	Amortized Cost Basis	Multiple Quotes[A]	Single Quote[B]	Total	Level
Agency RMBS	$ 2,653,034	$ 2,678,375	$ 2,673,863	$ —	$ 2,673,863	2
Non-Agency RMBS[C]	17,980,244	8,491,714	8,957,869	18,525	8,976,394	3
Total	$ 20,633,278	$ 11,170,089	$ 11,631,732	$ 18,525	$ 11,650,257	

(A) New Residential generally obtained pricing service quotations or broker quotations from two sources, one of which was generally the seller (the party that sold New Residential the security) for Non-Agency RMBS. New Residential evaluates quotes received and determines one as being most representative of fair value, and does not use an average of the quotes. Even if New Residential receives two or more quotes on a particular security that come from non-selling brokers or pricing services, it does not use an average because it believes using an actual quote more closely represents a transactable price for the security than an average level. Furthermore, in some cases, for non-agency RMBS, there is a wide disparity

between the quotes New Residential receives. New Residential believes using an average of the quotes in these cases would not represent the fair value of the asset. Based on New Residential's own fair value analysis, it selects one of the quotes which is believed to more accurately reflect fair value. New Residential has not adjusted any of the quotes received in the periods presented. These quotations are generally received via email and contain disclaimers which state that they are "indicative" and not "actionable" — meaning that the party giving the quotation is not bound to actually purchase the security at the quoted price. New Residential's investments in Agency RMBS are classified within Level 2 of the fair value hierarchy because the market for these securities is very active and market prices are readily observable.

The third-party pricing services and brokers engaged by New Residential (collectively, "valuation providers") use either the income approach or the market approach, or a combination of the two, in arriving at their estimated valuations of RMBS. Valuation providers using the market approach generally look at prices and other relevant information generated by market transactions involving identical or comparable assets. Valuation providers using the income approach create pricing models that generally incorporate such assumptions as discount rates, expected prepayment rates, expected default rates and expected loss severities. New Residential has reviewed the methodologies utilized by its valuation providers and has found them to be consistent with GAAP requirements. In addition to obtaining multiple quotations, when available, and reviewing the valuation methodologies of its valuation providers, New Residential creates its own internal pricing models for Level 3 securities and uses the outputs of these models as part of its process of evaluating the fair value estimates it receives from its valuation providers. These models incorporate the same types of assumptions as the models used by the valuation providers, but the assumptions are developed independently. These assumptions are regularly refined and updated at least quarterly by New Residential, and reviewed by its valuation group, which is separate from its investment acquisition and management group, to reflect market developments and actual performance.

For 61.8% of New Residential's Non-Agency RMBS, the ranges of assumptions used by New Residential's valuation providers are summarized in the table below. The assumptions used by New Residential's valuation providers with respect to the remainder of New Residential's Non-Agency RMBS were not readily available.

	Fair Value	Discount Rate	Prepayment Rate[a]	CDR[b]	Loss Severity[c]
Non-Agency RMBS	$ 5,550,819	2.66% to 30.00%	0.25% to 21.4%	0.25% to 9.00%	5.0% to 100%

(a) Represents the annualized rate of the prepayments as a percentage of the total principal balance of the pool.
(b) Represents the annualized rate of the involuntary prepayments (defaults) as a percentage of the total principal balance of the pool.
(c) Represents the expected amount of future realized losses resulting from the ultimate liquidation of a particular loan, expressed as the net amount of loss relative to the outstanding balance.

(B) New Residential was unable to obtain quotations from more than one source on these securities. For approximately $7.3 million, the one source was the party that sold New Residential the security.

(C) Includes New Residential's investments in interest-only notes for which the fair value option for financial instruments was elected.

Residential Mortgage Loans Valuation

New Residential, through its wholly owned subsidiary, New Penn, originates mortgage loans that it intends to sell into Fannie Mae, Freddie Mac, and Ginnie Mae mortgage backed securitizations. Residential mortgage loans held-for-sale, at fair value are typically pooled together and sold into certain exit markets, depending upon underlying attributes of the loan, such as agency eligibility, product type, interest rate, and credit quality. Residential mortgage loans held-for-sale, at fair value are valued using a market approach by utilizing either: (i) the fair value of securities backed by similar mortgage loans, adjusted for certain factors to approximate the fair value of a whole mortgage loan, (ii) current commitments to purchase loans or (iii) recent observable market trades for similar loans, adjusted for credit risk and other individual loan characteristics. As these prices are derived from market observable inputs, New Residential classifies these valuations as Level 2 in the fair value hierarchy.

Residential mortgage loans held-for-sale, at fair value also includes certain nonconforming mortgage loans originated for sale to private investors, which are valued using internal pricing models to forecast loan level cash flows based on a potential securitization exit using inputs such as default rates, prepayments speeds and discount rates. As the internal pricing model is based on certain unobservable inputs, New Residential classifies these valuations as Level 3 in the fair value hierarchy.

The following table summarizes certain information regarding the inputs used in valuing residential mortgage loans held-for-sale, at fair value classified as Level 3:

	Fair Value	Discount Rate	Prepayment Rate	CDR	Loss Severity
Residential Mortgage Loans Held-for-Sale, at Fair Value	$ 524,862	3.75% to 4.00%	10.00% to 15.00%	0.00% to 4.0%	0.0% to 50.0%

Residential mortgage loans held-for-investment, at fair value includes mortgage loans underlying the SAFT 2013-1 securitization, which are valued using internal pricing models using inputs such as default rates, prepayment speeds and discount rates. As the internal pricing model is based on certain unobservable inputs, New Residential classifies these valuations as Level 3 in the fair value hierarchy.

The following table summarizes certain information regarding the inputs used in valuing residential mortgage loans held-for-investment, at fair value classified as Level 3:

	Fair Value	Discount Rate	Prepayment Rate	CDR	Loss Severity
Residential Mortgage Loans Held-for-Investment, at Fair Value	$ 123,606	4.00%	10.0%	0.2%	20.0%

Derivative Valuation

New Residential enters into economic hedges including interest rate swaps, caps and TBAs, which are categorized as Level 2 in the valuation hierarchy. New Residential generally values such derivatives using quotations, similarly to the method of valuation used for New Residential's other assets that are classified as Level 2 in the fair value hierarchy.

As a part of the mortgage loan origination business, New Residential enters into forward loan sale and securities delivery commitments, which are valued based on observed market pricing for similar instruments and therefore, are classified as Level 2. In addition, New Residential enters into IRLCs, which are valued using internal pricing models incorporating i) market pricing for instruments with similar characteristics (ii) estimating the fair value of the servicing rights expected to be recorded at sale of the loan and (iii) adjusted for anticipated loan funding probability. Both the fair value of servicing rights expected to be recorded at the date of sale of the loan and anticipated loan funding probability are significant unobservable inputs and therefore, IRLCs are classified as Level 3 in the fair value hierarchy.

The following table summarizes certain information regarding the inputs used in valuing IRLCs:

	Fair Value	Loan Funding Probability	Fair Value of initial servicing rights (bps)
IRLCs	$ 8,357	46.00% to 100%	0 to 326

Mortgage-Backed Securities Issued

New Penn, a wholly owned subsidiary of New Residential, was deemed to be the primary beneficiary of the SAFT 2013-1 securitization entity and therefore, New Residential's condensed consolidated balance sheets include the mortgage-backed securities issued by SAFT 2013-1. New Residential elected the fair value option for these financial instruments and the mortgage-backed securities issued were valued consistently with New Residential's Non-Agency RMBS described above.

The following table summarizes certain information regards the inputs used in valuing Mortgage-Backed Securities Issued:

	Fair Value	Discount Rate	Prepayment Rate	CDR	Loss Severity
Mortgage-Backed Securities Issued	$ 117,470	3.50% to 5.25%	9.0% to 12.0%	0% to 0.25%	10.0%

Contingent Consideration Valuation

New Residential, as additional consideration for the Shellpoint Acquisition, may make up to three cash earnout payments, which will be calculated following each of the first three anniversaries of the Shellpoint Closing as a percentage of the amount by which the pre-tax income of certain of Shellpoint's businesses exceeds certain specified thresholds, up to an aggregate maximum amount of $60.0 million (the "Shellpoint Earnout Payments"). In accordance with ASC 805, New Residential measures its contingent consideration at fair value on a recurring basis using a scenario-based method to weigh the probability of multiple outcomes to arrive at an expected payment cash flow and then discounts the expected cash flow. The inputs utilized in valuing the contingent consideration include a discount rate of 8% and the application of probability weighting of income scenarios, which are significant unobservable inputs and therefore, contingent consideration is classified as Level 3 in the fair value hierarchy. This valuation is preliminary and subject to change (Note 1).

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets are measured at fair value on a nonrecurring basis; that is, they are not measured at fair value on an ongoing basis but are subject to fair value adjustments only in certain circumstances, such as when there is evidence of impairment. For residential mortgage loans held-for-sale and foreclosed real estate accounted for as REO, New Residential applies the lower of cost or fair value accounting and may be required, from time to time, to record a nonrecurring fair value adjustment.

At September 30, 2018, assets measured at fair value on a nonrecurring basis were $0.3 billion. The $0.3 billion of assets include approximately $227.1 million of residential mortgage loans held-for-sale and $70.5 million of REO. The fair value of New Residential's residential mortgage loans, held-for-sale is estimated based on a discounted cash flow model analysis using internal pricing models and is categorized within Level 3 of the fair value hierarchy.

The following table summarizes the inputs used in valuing these residential mortgage loans as of September 30, 2018:

	Fair Value and Carrying Value	Discount Rate	Weighted Average Life (Years)[(A)]	Prepayment Rate	CDR[(B)]	Loss Severity[(C)]
Performing Loans	$ 186,157	4.7%	3.9	7.7%	4.3%	32.8%
Non-Performing Loans	40,985	5.3%	2.4	2.1%	2.8%	30.0%
Total/Weighted Average	$ 227,142	4.8%	3.6	6.7%	4.0%	32.3%

(A) The weighted average life is based on the expected timing of the receipt of cash flows.
(B) Represents the annualized rate of the involuntary prepayments (defaults) as a percentage of the total principal balance.
(C) Loss severity is the expected amount of future realized losses resulting from the ultimate liquidation of a particular loan, expressed as the net amount of loss relative to the outstanding loan balance.

The fair value of REO is estimated using a broker's price opinion discounted based upon New Residential's experience with actual liquidation values and, therefore, is categorized within Level 3 of the fair value hierarchy. These discounts to the broker price opinion generally range from 10% to 25%, depending on the information available to the broker.

The total change in the recorded value of assets for which a fair value adjustment has been included in the Condensed Consolidated Statements of Income for the nine months ended September 30, 2018 was a reversal of net valuation allowance of approximately $8.7 million, consisting of a reversal of prior valuation allowance of $8.9 million for residential mortgage loans, offset by $0.2 million increased allowance for REO.

13. EQUITY AND EARNINGS PER SHARE

Equity and Dividends

In January 2018, New Residential issued 28.8 million shares of its common stock in a public offering at a price to the public of $17.10 per share for net proceeds of approximately $482.3 million. To compensate the Manager for its successful efforts in raising capital for New Residential, in connection with this offering, New Residential granted options to the Manager relating to 2.9 million shares of New Residential's common stock at the public offering price, which had a fair value of approximately $3.8 million as of the grant date. The assumptions used in valuing the options were: a 2.58% risk-free rate, a 9.86% dividend yield, 23.16% volatility and a 10-year term.

On July 30, 2018, New Residential entered into a Distribution Agreement to sell shares of its common stock, par value $0.01 per share (the "ATM Shares"), having an aggregate offering price of up to $500.0 million, from time to time, through an "at-the-market" equity offering program (the "ATM Program"). During the three months ended September 30, 2018, New Residential sold 0.5 million ATM Shares for an aggregate proceeds of $9.1 million. In connection with the shares sold under the ATM program, New Residential granted options to the Manager relating to 0.05 million shares of New Residential's common stock at the offering price, which had fair value of approximately

$0.1 million as of the grant date.

On September 20, 2018, New Residential's board of directors declared a third quarter 2018 dividend of $0.50 per common share or $170.2 million.

Approximately 0.5 million shares of New Residential's common stock were held by Fortress, through its affiliates, at September 30, 2018.

Option Plan

As of September 30, 2018, New Residential's outstanding options were summarized as follows:

Held by the Manager	4,086,222
Issued to the Manager and subsequently assigned to certain of the Manager's employees	1,530,916
Issued to the independent directors	6,000
Total	5,623,138

The following table summarizes New Residential's outstanding options as of September 30, 2018. The last sales price on the New York Stock Exchange for New Residential's common stock in the quarter ended September 30, 2018 was $17.82 per share.

Recipient	Date of Grant/ Exercise[A]	Number of Unexercised Options	Options Exercisable as of September 30, 2018	Weighted Average Exercise Price[B]	Intrinsic Value of Exercisable Options as of September 30, 2018 (millions)
Directors	Various	6,000	6,000	$ 13.49	$ —
Manager[C]	2016	533,334	200,000	13.70	0.8
Manager[C]	2017	2,638,804	565,459	14.50	1.9
Manager[C]	2018	2,445,000	288,798	17.11	0.2
Outstanding		5,623,138	1,060,257		

(A) Options expire on the tenth anniversary from date of grant.

(B) The exercise prices are subject to adjustment in connection with return of capital dividends. A portion of New Residential's 2017 dividends was deemed to be a return of capital and the exercise prices were adjusted accordingly.

(C) The Manager assigned certain of its options to its employees as follows:

Date of Grant to Manager	Range of Exercise Prices	Total Unexercised Inception to Date
2016	$13.70	400,000
2017	$14.50	1,130,916
Total		1,530,916

The following table summarizes activity in New Residential's outstanding options:

	Amount	Weighted Average Exercise Price
December 31, 2017 outstanding options	18,502,188	
Options granted	2,924,166	$ 17.13
Options exercised	(15,803,216)	$ 14.30
Options expired unexercised	—	
September 30, 2018 outstanding options	5,623,138	See table above

Income and Earnings Per Share

New Residential is required to present both basic and diluted earnings per share ("EPS"). Basic EPS is calculated by dividing net income by the weighted average number of shares of common stock outstanding. Diluted EPS is computed by dividing net income by the weighted average number of shares of common stock outstanding plus the additional dilutive effect, if any, of common stock equivalents during each period. New Residential's common stock equivalents are its outstanding options. During the nine months ended September 30, 2018, based on the treasury stock method, New Residential had 1,463,258 dilutive common stock equivalents outstanding. During the nine months ended September 30, 2017, based on the treasury stock method, New Residential had 1,845,597 dilutive common stock equivalents outstanding.

Noncontrolling Interests

Noncontrolling interests is comprised of the interests held by third parties in consolidated entities that hold New Residential's Servicer Advance Investments (Note 6), Shelter JVs (Note 8) and Consumer Loans (Note 9).

14. COMMITMENTS AND CONTINGENCIES

Litigation – New Residential is or may become, from time to time, involved in various disputes, litigation and regulatory inquiry and investigation matters that arise in the ordinary course of business. Given the inherent unpredictability of these types of proceedings, it is possible that future adverse outcomes could have a material adverse effect on its business, financial position or results of operations. New Residential is not aware of any unasserted claims that it believes are material and probable of assertion where the risk of loss is expected to be reasonably possible.

New Residential is, from time to time, subject to inquiries by government entities. New Residential currently does not believe any of these inquiries would result in a material adverse effect on New Residential's business.

Indemnifications – In the normal course of business, New Residential and its subsidiaries enter into contracts that contain a variety of representations and warranties and that provide general indemnifications. New Residential's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against New Residential that have not yet occurred. However, based on its experience, New Residential expects the risk of material loss to be remote.

Capital Commitments — As of September 30, 2018, New Residential had outstanding capital commitments related to investments in the following investment types (also refer to Note 5 for MSR investment commitments and to Note 18 for additional capital commitments entered into subsequent to September 30, 2018, if any):

MSRs and servicer advances — New Residential and, in some cases, third-party co-investors agreed to purchase future servicer advances related to certain Non-Agency mortgage loans. In addition, New Residential's subsidiary, NRM, is generally obligated to fund future servicer advances related to the loans it is obligated to service. The actual amount of future advances purchased will be based on: (a) the credit and prepayment performance of the underlying loans, (b) the amount of advances recoverable prior to liquidation of the related collateral and (c) the percentage of the loans with respect to which no additional advance obligations are made. The actual amount of future advances is subject to significant uncertainty. See Notes 5 and 6 for information on New Residential's investments in MSRs and Servicer Advance Investments, respectively.

Mortgage Origination Reserves — New Penn, a wholly owned subsidiary of New Residential, originates conventional, government-insured and nonconforming residential mortgage loans for sale and securitization. The GSEs or Ginnie Mae guarantee conventional and government insured mortgage securitizations and mortgage investors issue nonconforming private label mortgage securitizations while New Penn generally retains the right to service the underlying residential mortgage loans. In connection with the transfer of loans to the GSEs or mortgage investors, New Penn makes representations and warranties regarding certain attributes of the loans and, subsequent to the sale, if it is determined that a sold loan is in breach of these representations and warranties, New Penn generally has an obligation to cure the breach. If New Penn is unable to cure the breach, the purchaser may require New Penn to repurchase the loan.

In addition, for Ginnie Mae guaranteed securitizations, New Penn holds a Ginnie Mae Buy-Back Option to repurchase delinquent loans from the securitization at its discretion. While New Penn is not obligated to repurchase the delinquent loans, New Penn generally executes its option to repurchase that will result in an economic benefit. As of September 30, 2018, New Residential's estimated liability associated with representations and warranties and Ginnie Mae repurchases was $6.3 million and $110.2 million, respectively. See Notes 5 and 8 for information on New Residential's Ginnie Mae Buy-Back Option and mortgage origination, respectively.

Mortgage Origination Unfunded Commitments — As of September 30, 2018, New Penn was committed to fund approximately $809.9 million of mortgage loans and had forward loan sale commitments of $33.4 million. The forward sales are expected to close during the fourth quarter of 2018.

Residential Mortgage Loans — As part of its investment in residential mortgage loans, New Residential may be required to outlay capital. These capital outflows primarily consist of advance escrow and tax payments, residential maintenance and property disposition fees. The actual amount of these outflows is subject to significant uncertainty. See Note 8 for information on New Residential's investments in residential mortgage loans.

Consumer Loans — The Consumer Loan Companies have invested in loans with an aggregate of $182.6 million of unfunded and available revolving credit privileges as of September 30, 2018. However, under the terms of these loans, requests for draws may be denied and unfunded availability may be terminated at New Residential's discretion.

Leases — New Residential, through its wholly owned subsidiary, Shellpoint, has leases on office space expiring through 2025. Future commitments under non-cancelable leases are approximately $26.7 million.

Environmental Costs — As a residential real estate owner, through its REO, New Residential is subject to potential environmental costs. At September 30, 2018, New Residential is not aware of any environmental concerns that would have a material adverse effect on its consolidated financial position or results of operations.

Debt Covenants — New Residential's debt obligations contain various customary loan covenants (Note 11).

Certain Tax-Related Covenants — If New Residential is treated as a successor to Drive Shack under applicable U.S. federal income tax rules, and if Drive Shack failed to qualify as a REIT for a taxable year ending on or before December 31, 2014, New Residential could be prohibited from electing to be a REIT. Accordingly, in the separation and distribution agreement executed in connection with New Residential's spin-off from Drive Shack, Drive Shack (i) represented that it had no knowledge of any fact or circumstance that would cause New Residential to fail to qualify as a REIT, (ii) covenanted to use commercially reasonable efforts to cooperate with New Residential as necessary to enable New Residential to qualify for taxation as a REIT and receive customary legal opinions concerning REIT status, including providing information and representations to New Residential and its tax counsel with respect to the composition of Drive Shack's income and assets, the composition of its stockholders, and its operation as a REIT; and (iii) covenanted to use its reasonable best efforts to maintain its REIT status for each of Drive Shack's taxable years ending on or before December 31, 2014 (unless Drive Shack obtains an opinion from a nationally recognized tax counsel or a private letter ruling from the U.S. Internal Revenue Service ("IRS") to the effect that Drive Shack's failure to maintain its REIT status will not cause New Residential to fail to qualify as a REIT under the successor REIT rule referred to above). Additionally, New Residential covenanted to use its reasonable best efforts to qualify for taxation as a REIT for its taxable year ended December 31, 2013.

15. TRANSACTIONS WITH AFFILIATES AND AFFILIATED ENTITIES

New Residential is party to a Management Agreement with its Manager which provides for automatically renewing one-year terms subject to certain termination rights. The Manager's performance is reviewed annually and the Management Agreement may be terminated by New Residential by payment of a termination fee, as defined in the Management Agreement, equal to the amount of management fees earned by the Manager during the 12 consecutive calendar months immediately preceding the termination, upon the affirmative vote of at least two-thirds of the independent directors, or by a majority vote of the holders of common stock. If the Management Agreement is terminated, the Manager may require New Residential to purchase from the Manager the right of the Manager to receive the Incentive Compensation. In exchange therefor, New Residential would be obligated to pay the Manager a cash purchase price equal to the amount of the Incentive Compensation that would be paid to the Manager if all of New Residential's assets were sold for cash at their then current fair market value (taking into account, among other things, expected future performance of the underlying investments). Pursuant to the Management Agreement, the Manager, under the supervision of New Residential's board of directors, formulates investment strategies, arranges for the acquisition of assets and associated financing, monitors the performance of New Residential's assets and provides certain advisory, administrative and managerial services in connection with the operations of New Residential.

The Manager is entitled to receive a management fee in an amount equal to 1.5% per annum of New Residential's gross equity calculated and payable monthly in arrears in cash. Gross equity is generally (i) the equity transferred by Drive Shack Inc. ("Drive Shack"), formerly Newcastle Investment Corp., which was the sole stockholder of New Residential until the spin-off of New Residential completed on May 15, 2013, on the date of the spin-off, (ii) plus total net proceeds from stock offerings, plus certain capital contributions to subsidiaries, less capital distributions and repurchases of common stock.

In addition, the Manager is entitled to receive annual incentive compensation in an amount equal to the product of (A) 25% of the dollar amount by which (1) (a) New Residential's funds from operations before the incentive compensation, excluding funds from operations from investments in the Consumer Loan Companies and any unrealized gains or losses from mark-to-market valuation changes on investments and debt (and any deferred tax impact thereof), per share of common stock, plus (b) earnings (or losses) from the Consumer Loan Companies computed on a level-yield basis (such that the loans are treated as if they qualified as loans acquired with a discount for credit quality as set forth in ASC No. 310-30, as such codification was in effect on June 30, 2013) as if the Consumer Loan Companies had been acquired at their GAAP basis on May 15, 2013, plus earnings (or losses) from equity method investees invested in Excess MSRs as if such equity method investees had not made a fair value election, plus gains (or losses) from debt restructuring and gains (or losses) from sales of property, and plus non-routine items, minus amortization of non-routine items, in each case per share of common stock, exceed (2) an amount equal to (a) the weighted average of the book value per share of the equity transferred by Drive Shack on the date of the spin-off and the prices per share of New Residential's common stock in any offerings (adjusted for prior capital dividends or capital distributions) multiplied by (b) a simple interest rate of 10% per annum, multiplied by (B) the weighted average number of shares of common stock outstanding. "Funds from operations" means net income (computed in accordance with GAAP), excluding gains (or losses) from debt restructuring and gains (or losses) from sales of property, plus depreciation on real estate assets, and after adjustments for unconsolidated partnerships and joint ventures. Funds from operations will be computed on an unconsolidated basis. The computation of funds from operations may be adjusted at the direction of New Residential's independent directors based on changes in, or certain applications of, GAAP. Funds from operations is determined from the date of the spin-off and without regard to Drive Shack's prior performance.

In addition to the management fee and incentive compensation, New Residential is responsible for reimbursing the Manager for certain expenses paid by the Manager on behalf of New Residential.

Due to affiliates is comprised of the following amounts:

	September 30, 2018	December 31, 2017
Management fees	$ 5,166	$ 4,734
Incentive compensation	65,169	81,373
Expense reimbursements and other	3,800	2,854
Total	$ 74,135	$ 88,961

Affiliate expenses and fees were comprised of:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Management fees	$ 15,464	$ 14,187	$ 46,027	$ 41,447
Incentive compensation	23,848	19,491	65,169	72,123
Expense reimbursements[(A)]	125	125	375	375
Total	$ 39,437	$ 33,803	$ 111,571	$ 113,945

(A) Included in General and Administrative Expenses in the Condensed Consolidated Statements of Income.

See Notes 4, 5, 6, 8, 11 and 14 for a discussion of transactions with Nationstar. As of September 30, 2018, 99.2%, 25.7% and 97.0% of the UPB of the loans underlying New Residential's investments in Excess MSRs, MSRs and Servicer Advance Investments, respectively, was serviced, subserviced or master serviced by Nationstar. As of September 30, 2018, a total face amount of $4.3 billion of New Residential's Non-Agency RMBS portfolio and approximately $27.6 million of New Residential's Agency RMBS portfolio was serviced or master serviced by Nationstar. The total UPB of the loans underlying these Nationstar serviced Non-Agency RMBS was approximately $38.3 billion as of September 30, 2018. New Residential holds a limited right to cleanup call options with respect to certain securitization trusts serviced or master serviced by Nationstar whereby, when the outstanding balance of the underlying residential mortgage loans falls below a pre-determined threshold, it can effectively purchase the underlying residential mortgage loans at par, plus unreimbursed servicer advances, and repay all of the outstanding securitization financing at par, in exchange for a fee of 0.75% of UPB paid to Nationstar at the time of exercise. In connection with New Residential's exercise of certain of these call rights, and certain other call rights acquired by New Residential, New Residential has made, and expects to continue to make, payments to funds managed by an affiliate of Fortress in respect of Excess MSRs held by the funds affected by the exercise of the call rights ("MSR Fund Payments"). During 2018, New Residential accrued for MSR Fund Payments in an aggregate amount of approximately $0.2 million and has also caused an aggregate of $0.5 million of securities to be transferred to such funds in 2018. New Residential continues to evaluate the call rights it purchased from Nationstar, and its ability to exercise such rights and realize the benefits therefrom are subject to a number of risks. The actual UPB of the residential mortgage loans on which New Residential can successfully exercise call rights and realize the benefits therefrom may differ materially from its initial assumptions. As of September 30, 2018, $878.8 million UPB of New Residential's residential mortgage loans and $13.1 million of New Residential's REO were being serviced or master serviced by Nationstar. Additionally, in the ordinary course of business, New Residential engages Nationstar to administer the termination of securitization trusts that it collapses pursuant to its call rights. As a result of these relationships, New Residential routinely has receivables from, and payables to, Nationstar, which are included in Other Assets and Accrued Expenses and Other Liabilities, respectively.

See Note 4 regarding co-investments with Fortress-managed funds.

16. RECLASSIFICATION FROM ACCUMULATED OTHER COMPREHENSIVE INCOME INTO NET INCOME

The following table summarizes the amounts reclassified out of accumulated other comprehensive income into net income:

		Three Months Ended September 30,		Nine Months Ended September 30,	
Accumulated Other Comprehensive Income Components	Statement of Income Location	2018	2017	2018	2017
Reclassification of net realized (gain) loss on securities into earnings	Gain (loss) on settlement of investments, net	$ 28,737	$ (7,342)	$ 66,695	$ (29,592)
Reclassification of net realized (gain) loss on securities into earnings	Other-than-temporary impairment on securities	3,889	1,509	23,190	8,736
Total reclassifications		$ 32,626	$ (5,833)	$ 89,885	$ (20,856)

New Residential did not allocate any income tax expense or benefit to any component of other comprehensive income for any period presented, as no taxable subsidiary generated other comprehensive income.

17. INCOME TAXES

Income tax expense (benefit) consists of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Current:				

Federal	$ 5,691	$ 4,072	$ 6,299	$ 6,683
State and Local	(263)	131	424	354
Total Current Income Tax Expense (Benefit)	5,428	4,203	6,723	7,037
Deferred:				
Federal	(1,201)	20,977	(12,829)	97,053
State and Local	(664)	7,433	149	16,963
Total Deferred Income Tax Expense (Benefit)	(1,865)	28,410	(12,680)	114,016
Total Income Tax Expense (Benefit)	$ 3,563	$ 32,613	$ (5,957)	$ 121,053

New Residential intends to qualify as a REIT for each of its tax years through December 31, 2018. A REIT is generally not subject to U.S. federal corporate income tax on that portion of its income that is distributed to stockholders if it distributes at least 90% of its REIT taxable income to its stockholders by prescribed dates and complies with various other requirements.

New Residential operates various securitization vehicles and has made certain investments, particularly its investments in MSRs (Note 5), Servicer Advance Investments (Note 6) and REO (Note 8), through taxable REIT subsidiaries ("TRSs") that are subject to regular corporate income taxes which have been provided for in the provision for income taxes, as applicable.

New Residential has recorded a net deferred tax liability of approximately $3.9 million as of September 30, 2018, primarily related to unrealized gains and discount accruals offset by net operating loss carry forwards.

On December 22, 2017, the Tax Cuts and Jobs Act (the "TCJA") was signed into law. The TCJA includes a number of significant changes to existing U.S. corporate income tax laws, most notably a reduction of the U.S. corporate income tax rate from 35 percent to 21 percent, effective January 1, 2018. New Residential measures deferred tax assets and liabilities using enacted tax rates that will apply in the years in which the temporary differences are expected to be recovered or paid. New Residential is still analyzing certain aspects of the TCJA and refining its calculations, which could potentially affect the measurement of these balances or give rise to new deferred tax amounts.

18. SUBSEQUENT EVENTS

These financial statements include a discussion of material events that have occurred subsequent to September 30, 2018 (referred to as "subsequent events") through the issuance of these condensed consolidated financial statements. Events subsequent to that date have not been considered in these financial statements.

On September 20, 2018, New Residential's board of directors declared a third quarter 2018 dividend of $0.50 per common share or $170.2 million. On October 26, 2018, New Residential paid the third quarter dividend to stockholders of record as of October 1, 2018.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Management's discussion and analysis of financial condition and results of operations is intended to help the reader understand the results of operations and financial condition of New Residential. The following should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and notes thereto included herein, and with "Risk Factors."

GENERAL

New Residential is a publicly traded REIT primarily focused on opportunistically investing in, and actively managing, investments related to residential real estate. We primarily target investments in mortgage servicing related assets and related opportunistic investments. We are externally managed by an affiliate of Fortress pursuant to the Management Agreement. Our goal is to drive strong risk-adjusted returns primarily through our investments, and our investment guidelines are purposefully broad to enable us to make investments in a wide array of assets in diverse markets, including non-real estate related assets such as consumer loans. We generally target assets that generate significant current cash flows and/or have the potential for meaningful capital appreciation.

Our portfolio is currently composed of mortgage servicing related assets, Non-Agency RMBS (and associated call rights), residential mortgage loans and other opportunistic investments. Our asset allocation and target assets may change over time, depending on our investment decisions in light of prevailing market conditions. The assets in our portfolio are described in more detail below under "—Our Portfolio."

MARKET CONSIDERATIONS

Developments in the U.S. Housing Market

In response to the changing landscape of the mortgage industry and bank capital requirements, banks have sold MSRs totaling more than $3.5 trillion since 2010. As of the second quarter of 2018, the top 100 mortgage servicers serviced over 98% out of the $10.7 trillion one-to-four family mortgage debt outstanding, according to Inside Mortgage Finance. Furthermore, according to Inside Mortgage Finance, approximately 65% of such outstanding mortgage debt was serviced by the top 25 mortgage servicers as of the second quarter of 2018. Given current market dynamics and an overall challenging servicing environment, we may expect additional market consolidation among non-bank servicers. In addition, we believe that non-bank servicers who are constrained by capital limitations will continue to sell MSRs, Excess MSRs and other servicing assets. As a result, we believe additional MSR sales will be likely for some period of time. These factors have resulted in increased opportunities for us to acquire interests in MSRs and to provide capital to non-bank servicers. In addition, approximately $1.6 trillion of new loans are expected to be originated in 2018, according to the Mortgage Bankers Association. We believe this creates an opportunity to enter into "flow arrangements," whereby loan originators or servicers agree to sell MSRs or Excess MSRs on newly originated loans on a recurring basis (often monthly or quarterly). Recently, strong demand for mortgage assets in general has led to tighter spreads and lower required rates of return. This, in turn, creates a reach for yield and increased difficulty in sourcing accretive investments in the current investment landscape. These market conditions have driven prices higher, thereby also increasing the value of certain of our existing investments.

There can be no assurance that we will make additional investments in MSRs or Excess MSRs or that any future investment in MSRs or Excess MSRs will generate returns similar to the returns on our original investments in MSRs or Excess MSRs. The timing, size and potential returns of our future investments in MSRs and Excess MSRs may be less attractive than our prior investments in this sector due to a number of factors, most of which are beyond our control. Such factors include, but are not limited to, changes in interest rates and recent increased competition for more recently originated MSRs. In addition, the acquisition of Agency MSRs requires GSE and, in certain cases, other regulatory approval. The process to obtain such approvals is extensive and will extend transaction settlement times when compared to our experience with the acquisition of Excess MSRs. In general, regulatory and GSE approval processes have been more extensive and taken longer than the processes and timelines we experienced in prior periods, which has increased the amount of time and effort required to complete transactions.

Interest Rates and Prepayment Rates

As further described in "Quantitative and Qualitative Disclosures About Market Risk," increasing interest rates are generally associated with declining prepayment rates for residential mortgage loans since they increase the cost of borrowing for homeowners. Declining prepayment rates, in turn, would generally be expected to increase the value of our interests in Excess MSRs, MSRs and Servicer Advance Investments, which include the right to a portion of the related MSRs, because the duration of the cash flows we are entitled to receive becomes extended with no reduction in current cash flows. Changes in interest rates will also directly impact our costs of borrowing either immediately (floating rate debt) or upon refinancing (fixed rate debt) and may also

be associated with changes in credit spreads and/or the discount rates used in valuing investments. Declining prepayment rates have a negative impact on the value of investments purchased at a significant discount since the recovery of that discount is delayed.

In the third quarter of 2018, both current interest rates and expected future interest rates generally increased. For instance, the 10-year treasury yield increased from 2.85% to 3.06%. With respect to our Non-Agency RMBS, which were generally purchased at a significant discount, while market interest rates increased, market credit spreads for these investments decreased, with the net result being an increase in value during the quarter.

The value of our MSRs and Excess MSRs is subject to a variety of factors, as described in "Quantitative and Qualitative Disclosures About Market Risk" and in "Risk Factors." In the third quarter of 2018, the fair value of our direct investments in Excess MSRs and our share of the fair value of the Excess MSRs held through equity method investees decreased by approximately $6.5 million in the aggregate, primarily as a result of a decrease in recapture assumptions, while the weighted average discount rate of the portfolio remained unchanged at 8.8%. In addition, a decrease in prepayment rates due to an increase in interest rates and an increase in the custodial earnings rate, partially offset by lower recapture assumptions caused the fair value of our MSRs, including MSR financing receivables, to increase by approximately $4.9 million during the period.

Changes in interest rates did not have a meaningful impact on the net interest spread of our Agency and Non-Agency RMBS portfolios. Our RMBS are primarily floating rate or hybrid (i.e., fixed to floating rate) securities, which we generally finance with floating rate debt, or are economically hedged with respect to interest rates. Therefore, while rising interest rates will generally result in a higher cost of financing, they will also result in a higher coupon payable on the securities. The net interest spread on our Agency RMBS portfolio as of September 30, 2018 was 1.58%, compared to 1.25% as of June 30, 2018. The spread changed primarily as a result of higher yields from new securities purchased partially offset by increased funding costs during the third quarter of 2018. The net interest spread on our Non-Agency RMBS portfolio as of September 30, 2018 was 2.18%, compared to 2.50% as of June 30, 2018. This spread changed primarily to lower yields on securities owned and new securities purchased partially offset by decreased funding costs during the third quarter of 2018.

General U.S. Economy and Unemployment

In the last twelve months, the U.S. unemployment rate generally continued to decline and equity market prices trended up, signaling a general improvement in the U.S. economy. In our view, an improvement in the economy, as demonstrated through such measures, generally improves the value of housing and the ability of borrowers to make payments on their loans, thereby decreasing delinquencies and defaults on residential mortgage loans, consumer loans and RMBS. This relationship held true as the Case Shiller Home Price Index increased from 203 as of the third quarter of 2017 to 214 as of the third quarter of 2018. In addition, according to CoreLogic, the total number of mortgaged residential properties with negative equity stood at 2.2 million, or 4.3 percent, as of the second quarter of 2018, down from 4.7 percent, as of the first quarter of 2018. This trend has helped to support the values of our residential mortgage loans, consumer loans and RMBS.

Credit Spreads

Corporate credit spreads, which generally have an impact on the value of yield driven financial instruments (e.g., RMBS and loan portfolios), were flat during the third quarter of 2018. While a useful market proxy, corporate credit spreads are not necessarily indicative or directly correlated to mortgage credit spreads, which tightened during the quarter. Collateral performance, market liquidity, mortgage credit spreads and other factors related specifically to certain investments within our mortgage securities and loan portfolio caused a slight increase to the value of the portion of this portfolio that was owned for the entire quarter.

For more information regarding these and other market factors which impact our portfolio, see Item 3. "Quantitative and Qualitative Disclosures About Market Risk."

Our Manager

On December 27, 2017, SoftBank Group Corp. ("SoftBank") announced that it completed its previously announced acquisition of Fortress (the "SoftBank Merger"). In connection with the SoftBank Merger, Fortress operates within SoftBank as an independent business headquartered in New York.

OUR PORTFOLIO

Our portfolio is currently composed of mortgage servicing related assets, residential securities and loans and other investments, as described in more detail below. The assets in our portfolio are described in more detail below (dollars in thousands), as of September 30, 2018.

	Outstanding Face Amount	Amortized Cost Basis	Percentage of Total Amortized Cost Basis	Carrying Value	Weighted Average Life (years)[A]
Investments in:					
Excess MSRs[B]	$ 156,293,738	$ 482,650	2.3%	$ 622,000	6.2
MSRs[B]	246,949,863	2,390,079	11.5%	2,872,004	6.6
Mortgage Servicing Rights Financing Receivables[B] [C]	135,529,647	1,351,372	6.5%	1,681,072	6.7
Servicer Advance Investments[B] [D]	637,102	783,141	3.6%	799,936	5.9
Agency RMBS[E]	2,653,034	2,678,375	12.9%	2,673,863	9.8
Non-Agency RMBS[E]	17,980,244	8,491,714	41.0%	8,976,394	7.1
Residential Mortgage Loans	3,483,808	3,320,429	16.0%	3,297,489	7.8
Real Estate Owned	N/A	124,568	0.6%	115,160	—
Consumer Loans	1,142,058	1,145,177	5.6%	1,140,769	3.5
Consumer Loans, Equity Method Investees	85,424	N/A	N/A	44,787	1.2
Total/Weighted Average		$ 20,767,505	100.0%	$ 22,223,474	7.1
Reconciliation to GAAP total assets:					
Cash and restricted cash				485,897	
Residential mortgage loans subject to repurchase				110,181	
Servicer advances receivable				3,217,121	
Trades receivable				3,424,865	
Other assets				629,231	
GAAP total assets				$ 30,090,769	

(A) Weighted average life is based on the timing of expected principal reduction on the asset.

(B) The outstanding face amount of Excess MSRs, MSRs, Mortgage Servicing Rights Financing Receivables, and Servicer Advance Investments is based on 100% of the face amount of the underlying residential mortgage loans and currently outstanding advances, as applicable.

(C) Includes certain MSRs where our subsidiary, NRM, is the named servicer.

(D) The value of our Servicer Advance Investments also includes the rights to a portion of the related MSR.

(E) Amortized cost basis is net of impairment.

Servicing Related Assets

MSRs and Mortgage Servicing Rights Financing Receivables

As of September 30, 2018, we had $4.6 billion carrying value of MSRs and mortgage servicing rights financing receivables within our servicer subsidiary, NRM.

NRM has contracted with certain subservicers to perform the related servicing duties on the residential mortgage loans underlying its MSRs. As of September 30, 2018, these subservicers include Nationstar, Ocwen, Ditech, PHH, and Flagstar, which subservice 25.7%, 24.0%, 21.8%, 11.5%, and 0.6% of the underlying UPB of the related mortgages, respectively (includes both Mortgage Servicing Rights and Mortgage Servicing Rights Financing Receivables). NRM has entered into agreements with Ditech,

Nationstar, PHH, and Ocwen whereby NRM is entitled to the MSR on any refinancing by such subservicer of a loan in the related original portfolio.

The table below summarizes our investments in MSRs and mortgage servicing rights financing receivables as of September 30, 2018.

	Current UPB (bn)	Weighted Average MSR (bps)	Carrying Value (mm)
Mortgage Servicing Rights			
Agency	$ 215.0	26 bps	$ 2,479.7
Non-Agency	2.1	26	20.6
Ginnie Mae	29.9	34	371.7
Mortgage Servicing Rights Financing Receivables			
Agency	44.0	27	467.6
Non-Agency	91.5	45	1,213.5
Total	$ 382.5	31 bps	$ 4,553.1

The following table summarizes the collateral characteristics of the loans underlying our investments in MSRs and mortgage servicing rights financing receivables as of September 30, 2018 (dollars in thousands):

	Collateral Characteristics											
	Current Carrying Amount	Current Principal Balance	Number of Loans	WA FICO Score[A]	WA Coupon	WA Maturity (months)	Average Loan Age (months)	Adjustable Rate Mortgage %[B]	Three Month Average CPR[C]	Three Month Average CRR[D]	Three Month Average CDR[E]	Three Month Average Recapture Rate
Mortgage Servicing Rights												
Agency	$ 2,479,734	$ 214,959,796	1,408,271	744	4.3%	264	64	3.1%	11.3%	10.9%	0.2%	15.3%
Non-Agency	20,555	2,056,930	4,264	759	3.9%	309	37	6.2%	6.2%	0.4%	5.9%	4.8%
Ginnie Mae	371,715	29,933,137	141,512	685	3.7%	326	29	7.8%	13.3%	12.9%	0.5%	6.8%
Mortgage Servicing Rights Financing Receivables												
Agency	467,613	43,997,628	328,418	744	4.2%	240	81	6.8%	11.6%	11.2%	0.4%	6.1%
Non-Agency	1,213,459	91,532,019	654,070	642	4.5%	309	154	16.1%	11.2%	7.8%	3.5%	—%
Total	$ 4,553,076	$ 382,479,510	2,536,535	715	4.3%	277	85	7.0%	11.4%	10.3%	1.1%	9.8%

	Collateral Characteristics					
	Delinquency 30 Days[F]	Delinquency 60 Days[F]	Delinquency 90+ Days[F]	Loans in Foreclosure	Real Estate Owned	Loans in Bankruptcy
Mortgage Servicing Rights						
Agency	1.6%	0.4%	0.5%	0.3%	0.1%	0.3%
Non-Agency	0.9%	0.1%	0.4%	0.6%	—%	0.1%
Ginnie Mae	4.4%	1.2%	1.5%	1.2%	—%	1.1%
Mortgage Servicing Rights Financing Receivables						
Agency	1.9%	0.3%	0.3%	0.6%	—%	0.4%
Non-Agency	8.3%	5.0%	7.4%	4.5%	1.8%	2.8%
Total	3.5%	1.5%	2.2%	1.4%	0.5%	1.0%

(A) The WA FICO score is based on the weighted average of information provided by the loan servicer on a monthly basis. The loan servicer generally updates the FICO score when loans are refinanced or become delinquent.

(B) Adjustable Rate Mortgage % represents the percentage of the total principal balance of the pool that corresponds to adjustable rate mortgages.

(C) Three Month Average CPR, or the constant prepayment rate, represents the annualized rate of the prepayments during the quarter as a percentage of the total principal balance of the pool.

(D) Three Month Average CRR, or the voluntary prepayment rate, represents the annualized rate of the voluntary prepayments during the quarter as a percentage of the total principal balance of the pool.

(E) Three Month Average CDR, or the involuntary prepayment rate, represents the annualized rate of the involuntary prepayments (defaults) during the quarter as a percentage of the total principal balance of the pool.

(F) Delinquency 30 Days, Delinquency 60 Days and Delinquency 90+ Days represent the percentage of the total principal balance of the pool that corresponds to loans that are delinquent by 30–59 days, 60–89 days or 90 or more days, respectively.

As of September 30, 2018, MSRs purchased from PHH, and related servicer advances receivable, with respect to private-label residential mortgage loans of approximately $3.7 billion in total UPB with a purchase price of approximately $21.0 million had not been settled.

Excess MSRs

The tables below summarize the terms of our investments in Excess MSRs completed as of September 30, 2018.

Summary of Direct Excess MSR Investments as of September 30, 2018

		MSR Component[A]			Excess MSR
	Current UPB (bn)	Weighted Average MSR (bps)	Weighted Average Excess MSR (bps)	Interest in Excess MSR (%)	Carrying Value (mm)
Agency					
Original and Recaptured Pools	$ 55.7	29 bps	21 bps	32.5% - 66.7%	$ 242.7
Recapture Agreements	—	29	22	32.5% - 66.7%	31.2
	55.7	29	21		273.9
Non-Agency[B]					
Nationstar and SLS Serviced:					
Original and Recaptured Pools	$ 56.4	35	15	33.3% - 100.0%	$ 174.7
Recapture Agreements	—	26	20	33.3% - 100.0%	18.5
	56.4	34	15		193.2
Total/Weighted Average	$ 112.1	32 bps	18 bps		$ 467.1

(A) The MSR is a weighted average as of September 30, 2018, and the Excess MSR represents the difference between the weighted average MSR and the basic fee (which fee remains constant).

(B) We also invested in related Servicer Advance Investments, including the basic fee component of the related MSR (Note 6 to our Condensed Consolidated Financial Statements) on $42.3 billion UPB underlying these Excess MSRs.

Summary of Excess MSR Investments Through Equity Method Investees as of September 30, 2018

		MSR Component[A]					
	Current UPB (bn)	Weighted Average MSR (bps)	Weighted Average Excess MSR (bps)	New Residential Interest in Investee (%)	Investee Interest in Excess MSR (%)	New Residential Effective Ownership (%)	Investee Carrying Value (mm)
Agency							
Original and Recaptured Pools	$ 44.2	32 bps	21 bps	50.0%	66.7%	33.3%	$ 245.6
Recapture Agreements	—	33	23	50.0%	66.7%	33.3%	39.4
Total/Weighted Average	$ 44.2	32 bps	21 bps				$ 285.0

(A) The MSR is a weighted average as of September 30, 2018, and the Excess MSR represents the difference between the weighted average MSR and the basic fee (which fee remains constant).

The following table summarizes the collateral characteristics of the loans underlying our direct Excess MSR investments as of September 30, 2018 (dollars in thousands):

	Collateral Characteristics											
	Current Carrying Amount	Current Principal Balance	Number of Loans	WA FICO Score[A]	WA Coupon	WA Maturity (months)	Average Loan Age (months)	Adjustable Rate Mortgage %[B]	Three Month Average CPR[C]	Three Month Average CRR[D]	Three Month Average CDR[E]	Three Month Average Recapture Rate
Agency												
Original Pools	$ 174,120	$ 42,820,547	308,104	712	4.6%	271	108	8.0%	14.0%	13.2%	0.9%	19.8%
Recaptured Loans	68,535	12,856,792	75,799	723	4.3%	286	34	0.6%	11.0%	10.8%	0.2%	28.5%
Recapture Agreement	31,198	—	—	—	—%	—	—	—%	—%	—%	—%	—%
	$ 273,853	$ 55,677,339	383,903	715	4.5%	275	90	6.3%	13.3%	12.6%	0.7%	21.5%
Non-Agency[F]												
Nationstar and SLS Serviced:												
Original Pools	$ 156,307	$ 52,662,477	290,428	673	4.7%	284	150	34.8%	16.6%	12.9%	4.2%	14.0%
Recaptured Loans	18,373	3,714,517	16,578	741	4.2%	289	23	2.9%	10.8%	10.8%	—%	29.2%
Recapture Agreement	18,528	—	—	—	—%	—	—	—%	—%	—%	—%	—%
	$ 193,208	$ 56,376,994	307,006	677	4.7%	284	142	32.7%	16.3%	12.8%	4.0%	14.7%
Total/Weighted Average[H]	$ 467,061	$ 112,054,333	690,909	696	4.6%	280	117	19.3%	14.8%	12.7%	2.4%	18.0%

	Collateral Characteristics					
	Delinquency 30 Days[G]	Delinquency 60 Days[G]	Delinquency 90+ Days[G]	Loans in Foreclosure	Real Estate Owned	Loans in Bankruptcy
Agency						
Original Pools	3.8%	1.2%	1.0%	0.9%	0.2%	0.2%
Recaptured Loans	1.8%	0.5%	0.4%	0.3%	0.1%	—%
Recapture Agreement	—%	—%	—%	—%	—%	—%
	3.3%	1.1%	0.8%	0.8%	0.2%	0.1%
Non-Agency[F]						
Nationstar and SLS Serviced:						
Original Pools	10.2%	2.8%	2.8%	6.7%	1.1%	2.1%
Recaptured Loans	1.2%	0.1%	0.2%	0.1%	—%	—%
Recapture Agreement	—%	—%	—%	—%	—%	—%
	9.6%	2.7%	2.6%	6.2%	1.1%	1.9%
Total/Weighted Average[H]	6.5%	1.9%	1.7%	3.5%	0.6%	1.0%

(A) The WA FICO score is based on the weighted average of information provided by the loan servicer on a monthly basis. The loan servicer generally updates the FICO score when loans are refinanced or become delinquent.

(B) Adjustable Rate Mortgage % represents the percentage of the total principal balance of the pool that corresponds to adjustable rate mortgages.

(C) Three Month Average CPR, or the constant prepayment rate, represents the annualized rate of the prepayments during the quarter as a percentage of the total principal balance of the pool.

(D) Three Month Average CRR, or the voluntary prepayment rate, represents the annualized rate of the voluntary prepayments during the quarter as a percentage of the total principal balance of the pool.

(E) Three Month Average CDR, or the involuntary prepayment rate, represents the annualized rate of the involuntary prepayments (defaults) during the quarter as a percentage of the total principal balance of the pool.

(F) We also invested in related Servicer Advance Investments, including the basic fee component of the related MSR (Note 6 to our Condensed Consolidated Financial Statements) on $42.3 billion UPB underlying these Excess MSRs.

(G) Delinquency 30 Days, Delinquency 60 Days and Delinquency 90+ Days represent the percentage of the total principal balance of the pool that corresponds to loans that are delinquent by 30–59 days, 60–89 days or 90 or more days, respectively.

(H) Weighted averages exclude collateral information for which collateral data was not available as of the report date.

The following table summarizes the collateral characteristics as of September 30, 2018 of the loans underlying Excess MSR investments made through joint ventures accounted for as equity method investees (dollars in thousands). For each of these pools, we own a 50% interest in an entity that invested in a 66.7% interest in the Excess MSRs.

	Collateral Characteristics												
	Current Carrying Amount	Current Principal Balance	New Residential Effective Ownership (%)	Number of Loans	WA FICO Score(A)	WA Coupon	WA Maturity (months)	Average Loan Age (months)	Adjustable Rate Mortgage %(B)	Three Month Average CPR(C)	Three Month Average CRR(D)	Three Month Average CDR(E)	Three Month Average Recapture Rate
Agency													
Original Pools	$ 136,183	$ 29,029,878	33.3%	274,493	695	5.1%	263	125	8.9%	15.2%	13.9%	1.4%	21.3%
Recaptured Loans	109,379	15,209,527	33.3%	105,920	707	4.3%	280	40	0.6%	11.1%	10.9%	0.3%	33.8%
Recapture Agreement	39,395	—	33.3%	—	—	—%	—	—	—%	—%	—%	—%	—%
Total/Weighted Average(G)	$ 284,957	$ 44,239,405		380,413	699	4.8%	269	97	6.2%	13.9%	13.0%	1.1%	24.8%

	Collateral Characteristics					
	Delinquency 30 Days(F)	Delinquency 60 Days(F)	Delinquency 90+ Days(F)	Loans in Foreclosure	Real Estate Owned	Loans in Bankruptcy
Agency						
Original Pools	5.3%	1.6%	1.1%	1.3%	0.4%	0.3%
Recaptured Loans	3.0%	0.8%	0.5%	0.4%	0.1%	0.1%
Recapture Agreement	—%	—%	—%	—%	—%	—%
Total/Weighted Average(G)	4.5%	1.3%	0.9%	1.0%	0.3%	0.2%

(A) The WA FICO score is based on the weighted average of information provided by the loan servicer on a monthly basis. The loan servicer generally updates the FICO score on a monthly basis.

(B) Adjustable Rate Mortgage % represents the percentage of the total principal balance of the pool that corresponds to adjustable rate mortgages.

(C) Three Month Average CPR, or the constant prepayment rate, represents the annualized rate of the prepayments during the quarter as a percentage of the total principal balance of the pool.

(D) Three Month Average CRR, or the voluntary prepayment rate, represents the annualized rate of the voluntary prepayments during the quarter as a percentage of the total principal balance of the pool.

(E) Three Month Average CDR, or the involuntary prepayment rate, represents the annualized rate of the involuntary prepayments (defaults) during the quarter as a percentage of the total principal balance of the pool.

(F) Delinquency 30 Days, Delinquency 60 Days and Delinquency 90+ Days represent the percentage of the total principal balance of the pool that corresponds to loans that are delinquent by 30-59 days, 60-89 days or 90 or more days, respectively.

(G) Weighted averages exclude collateral information for which collateral data was not available as of the report date.

Servicer Advance Investments

The following is a summary of our Servicer Advance Investments, including the right to the basic fee component of the related MSRs (dollars in thousands):

	September 30, 2018				
	Amortized Cost Basis	Carrying Value(A)	UPB of Underlying Residential Mortgage Loans	Outstanding Servicer Advances	Servicer Advances to UPB of Underlying Residential Mortgage Loans
Servicer Advance Investments					
Nationstar and SLS serviced pools	$ 783,141	$ 799,936	$ 42,323,957	$ 637,102	1.5%

(A) Carrying value represents the fair value of the Servicer Advance Investments, including the basic fee component of the related MSRs.

The following is additional information regarding our Servicer Advance Investments, and related financing, as of and for the nine months ended, September 30, 2018 (dollars in thousands):

			Nine Months Ended September 30, 2018		Loan-to-Value ("LTV")[A]		Cost of Funds[B]	
	Weighted Average Discount Rate	Weighted Average Life (Years)[C]	Change in Fair Value Recorded in Other Income	Face Amount of Notes and Bonds Payable	Gross	Net[D]	Gross	Net
Servicer Advance Investments[E]	5.9%	5.9	$ (86,581)	$ 630,422	89.3%	88.2%	3.7%	3.1%

(A) Based on outstanding servicer advances, excluding purchased but unsettled servicer advances.

(B) Annualized measure of the cost associated with borrowings. Gross Cost of Funds primarily includes interest expense and facility fees. Net Cost of Funds excludes facility fees.

(C) Weighted Average Life represents the weighted average expected timing of the receipt of expected net cash flows for this investment.

(D) Ratio of face amount of borrowings to par amount of servicer advance collateral, net of any general reserve.

(E) The following types of advances are included in Servicer Advance Investments:

	September 30, 2018
Principal and interest advances	$ 114,351
Escrow advances (taxes and insurance advances)	236,799
Foreclosure advances	285,952
Total	$ 637,102

A discussion of the sensitivity of these incentive fees to changes in LIBOR is included below under "Quantitative and Qualitative Disclosures About Market Risk."

Residential Securities and Loans

Real Estate Securities

Agency RMBS

The following table summarizes our Agency RMBS portfolio as of September 30, 2018 (dollars in thousands):

				Gross Unrealized						
Asset Type	Outstanding Face Amount	Amortized Cost Basis	Percentage of Total Amortized Cost Basis	Gains	Losses	Carrying Value[A]	Count	Weighted Average Life (Years)	3-Month CPR	Outstanding Repurchase Agreements
Agency Specified Pools	$ 2,653,034	$ 2,678,375	100.0%	$ 705	$ (5,217)	$ 2,673,863	31	9.8	0.8%	$ 866,266

(A) Fair value, which is equal to carrying value for all securities.

The following table summarizes the net interest spread of our Agency RMBS portfolio as of September 30, 2018:

	Net Interest Spread[A]
Weighted Average Asset Yield	3.82%
Weighted Average Funding Cost	2.24%
Net Interest Spread	1.58%

(A) The Agency RMBS portfolio consists of 100.0% fixed rate securities (based on amortized cost basis). See table above for details on rate resets of the floating rate securities.

Non-Agency RMBS

The following table summarizes our Non-Agency RMBS portfolio as of September 30, 2018 (dollars in thousands):

Asset Type	Outstanding Face Amount	Amortized Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Carrying Value[A]	Outstanding Repurchase Agreements
Non-Agency RMBS	$ 17,980,244	$ 8,491,714	$ 549,206	$ (64,526)	$ 8,976,394	$ 7,438,875

(A) Fair value, which is equal to carrying value for all securities.

The following tables summarize the characteristics of our Non-Agency RMBS portfolio and of the collateral underlying our Non-Agency RMBS as of September 30, 2018 (dollars in thousands):

	Non-Agency RMBS Characteristics[A]										
Vintage[B]	Average Minimum Rating[C]	Number of Securities	Outstanding Face Amount	Amortized Cost Basis	Percentage of Total Amortized Cost Basis	Carrying Value	Principal Subordination[D]	Excess Spread[E]	Weighted Average Life (Years)	Weighted Average Coupon[F]
Pre 2006	CCC-	395	$ 2,282,269	$ 1,699,347	20.4%	$ 1,895,998	12.5%	1.0%	7.6	3.5%
2006	CC	146	3,283,747	2,093,953	25.1%	2,232,024	7.0%	2.0%	7.8	2.6%
2007	CC	97	3,345,657	2,075,675	24.9%	2,207,801	5.8%	1.3%	7.4	2.8%
2008 and later	BB+	213	8,921,330	2,476,052	29.6%	2,502,250	23.6%	0.3%	6.2	3.8%
Total/Weighted Average	CCC+	851	$17,833,003	$ 8,345,027	100.0%	$ 8,838,073	12.4%	1.1%	7.2	3.2%

	Collateral Characteristics[A] [G]				
Vintage[B]	Average Loan Age (years)	Collateral Factor[H]	3-Month CPR[I]	Delinquency[J]	Cumulative Losses to Date
Pre 2006	13.8	0.08	11.6%	11.1%	13.3%
2006	12.4	0.13	10.7%	12.0%	31.8%
2007	11.6	0.24	11.6%	12.5%	38.4%
2008 and later	7.7	0.90	5.0%	1.3%	1.2%
Total/Weighted Average	11.1	0.37	9.4%	8.8%	20.6%

(A) Excludes $62.2 million face amount of bonds backed by consumer loans and $85.0 million face amount of bonds backed by corporate debt.

(B) The year in which the securities were issued.

(C) Ratings provided above were determined by third party rating agencies, represent the most recent credit ratings available as of the reporting date and may not be current. This excludes the ratings of the collateral underlying 221 bonds with a carrying value of $431.4 million, which either have never been rated or for which rating information is no longer provided. We had no assets that were on negative watch for possible downgrade by at least one rating agency as of September 30, 2018.

(D) The percentage of amortized cost basis of securities and residual interests that is subordinate to our investments. This excludes interest-only bonds.

(E) The current amount of interest received on the underlying loans in excess of the interest paid on the securities, as a percentage of the outstanding collateral balance for the quarter ended September 30, 2018.

(F) Excludes residual bonds, and certain other Non-Agency bonds, with a carrying value of $220.0 million and $0.0 million, respectively, for which no coupon payment is expected.

(G) The weighted average loan size of the underlying collateral is $176.8 thousand.

(H) The ratio of original UPB of loans still outstanding.

(I) Three month average constant prepayment rate and default rates.

(J) The percentage of underlying loans that are 90+ days delinquent, or in foreclosure or considered REO.

The following table summarizes the net interest spread of our Non-Agency RMBS portfolio as of September 30, 2018:

Net Interest Spread[A]	
Weighted Average Asset Yield	5.50%
Weighted Average Funding Cost	3.32%
Net Interest Spread	2.18%

(A) The Non-Agency RMBS portfolio consists of 73.4% floating rate securities and 26.6% fixed rate securities (based on amortized cost basis).

Call Rights

We hold a limited right to cleanup call options with respect to certain securitization trusts serviced or master serviced by Nationstar whereby, when the UPB of the underlying residential mortgage loans falls below a pre-determined threshold, we can effectively purchase the underlying residential mortgage loans at par, plus unreimbursed servicer advances, resulting in the repayment of all of the outstanding securitization financing at par, in exchange for a fee of 0.75% of UPB paid to Nationstar at the time of exercise. We similarly hold a limited right to cleanup call options with respect to certain securitization trusts master serviced by SLS for no fee, and also with respect to certain securitization trusts serviced or master serviced by Ocwen subject to a fee of 0.5% of UPB on loans that are current or thirty (30) days or less delinquent, paid to Ocwen at the time of exercise. The aggregate UPB of the underlying residential mortgage loans within these various securitization trusts is approximately $130.0 billion.

We continue to evaluate the call rights we acquired from each of our servicers, and our ability to exercise such rights and realize the benefits therefrom are subject to a number of risks. See “Risk Factors—Risks Related to Our Business—Our ability to exercise our cleanup call rights may be limited or delayed if a third party also possessing such cleanup call rights exercises such rights, if the related securitization trustee refuses to permit the exercise of such rights, or if a related party is subject to bankruptcy proceedings.” The actual UPB of the residential mortgage loans on which we can successfully exercise call rights and realize the benefits therefrom may differ materially from our initial assumptions.

We have exercised our call rights with respect to Non-Agency RMBS trusts and purchased performing and non-performing residential mortgage loans and REO contained in such trusts prior to their termination. In certain cases, we sold portions of the purchased loans through securitizations, and retained bonds issued by such securitizations. In addition, we received par on the securities issued by the called trusts which we owned prior to such trusts’ termination. Refer to Note 8 in our Condensed Consolidated Financial Statements for further details on these transactions.

Residential Mortgage Loans

The following table presents the total residential mortgage loans outstanding by loan type at September 30, 2018 (dollars in thousands).

	Outstanding Face Amount	Carrying Value	Loan Count	Weighted Average Yield	Weighted Average Life (Years)[A]	Floating Rate Loans as a % of Face Amount	LTV Ratio[B]	Weighted Avg. Delinquency[C]	Weighted Average FICO[D]
Performing Loans[G] [J]	$ 665,939	$ 620,303	8,968	7.3%	5.0	16.8%	79.4%	7.1%	672
Purchased Credit Deteriorated Loans[H]	211,564	156,020	1,828	7.7%	3.1	15.9%	85.6%	75.5%	595
Total Residential Mortgage Loans, held-for-investment	$ 877,503	$ 776,323	10,796	7.4%	4.5	16.6%	80.9%	23.6%	653
Reverse Mortgage Loans[E] [F]	$ 15,271	$ 6,813	41	7.9%	4.9	10.1%	135.1%	70.0%	N/A
Performing Loans[G] [I]	1,558,201	1,582,174	13,155	4.1%	4.3	55.6%	62.0%	3.9%	713
Non-Performing Loans[H] [I]	518,317	407,316	4,605	6.0%	2.9	17.9%	89.7%	73.2%	589
Total Residential Mortgage Loans, held-for-sale	$ 2,091,789	$ 1,996,303	17,801	4.6%	3.9	45.9%	69.4%	21.6%	682
Originated Loans	514,516	524,863	1,948	4.9%	28.8	96.0%	80.9%	4.0%	717
Total Residential Mortgage Loans, held-for-sale, at fair value[K]	$ 514,516	$ 524,863	1,948	4.9%	28.8	96.0%	80.9%	4.0%	717

(A) The weighted average life is based on the expected timing of the receipt of cash flows.

(B) LTV refers to the ratio comparing the loan’s unpaid principal balance to the value of the collateral property.

(C) Represents the percentage of the total principal balance that is 60+ days delinquent.

(D) The weighted average FICO score is based on the weighted average of information updated and provided by the loan servicer on a monthly basis.

(E) Represents a 70% participation interest we hold in a portfolio of reverse mortgage loans. The average loan balance outstanding based on total UPB was $0.5 million. Approximately 52% of these loans outstanding have reached a termination event. As a result of the termination event, each such loan has matured and the borrower can no longer make draws on these loans.

(F) FICO scores are not used in determining how much a borrower can access via a reverse mortgage loan.

(G) Performing loans are generally placed on nonaccrual status when principal or interest is 120 days or more past due.

(H) Includes loans with evidence of credit deterioration since origination where it is probable that we will not collect all contractually required principal and interest payments. As of September 30, 2018, we have placed all Non-Performing Loans, held-for-sale on nonaccrual status, except as described in (I) below.

(I) Includes $25.7 million and $56.5 million UPB of Ginnie Mae EBO performing and non-performing loans, respectively, on accrual status as contractual cash flows are guaranteed by the FHA.

(J) Includes $124.4 million UPB of non-agency mortgage loans underlying the SAFT 2013-1 securitization, which are carried at fair value based on New Residential's election of the fair value option.

(K) New Residential elected the fair value option to measure these loans at fair value on a recurring basis.

We consider the delinquency status, loan-to-value ratios, and geographic area of residential mortgage loans as our credit quality indicators.

Other

Consumer Loans

The table below summarizes the collateral characteristics of the consumer loans, including those held in the Consumer Loan Companies and those acquired from the Consumer Loan Seller, as of September 30, 2018 (dollars in thousands):

	Collateral Characteristics													
	UPB	Personal Unsecured Loans %	Personal Homeowner Loans %	Number of Loans	Weighted Average Original FICO Score[A]	Weighted Average Coupon	Adjustable Rate Loan %	Average Loan Age (months)	Average Expected Life (Years)	Delinquency 30 Days[B]	Delinquency 60 Days[B]	Delinquency 90+ Days[B]	12-Month CRR[C]	12-Month CDR[D]
Consumer loans, held-for-investment	$ 1,142,058	62.3 %	37.7 %	154,800	672	18.1 %	11.3 %	155	3.5	2.0 %	1.3 %	2.0 %	18.0 %	5.6 %

(A) Weighted average original FICO score represents the FICO score at the time the loan was originated.

(B) Delinquency 30 Days, Delinquency 60 Days and Delinquency 90+ Days represent the percentage of the total principal balance of the pool that corresponds to loans that are delinquent by 30-59 days, 60-89 days or 90 or more days, respectively.

(C) 12-Month CRR, or the voluntary prepayment rate, represents the annualized rate of the voluntary prepayments during the three months as a percentage of the total principal balance of the pool.

(D) 12-Month CDR, or the involuntary prepayment rate, represents the annualized rate of the involuntary prepayments (defaults) during the three months as a percentage of the total principal balance of the pool.

In addition, as of September 30, 2018, we had a net investment of $44.8 million in LoanCo and WarrantCo. For further information, see Note 9 to our Condensed Consolidated Financial Statements.

The following is a summary of LoanCo's consumer loan investments:

	Unpaid Principal Balance	Interest in Consumer Loans	Carrying Value	Weighted Average Coupon	Weighted Average Expected Life (Years)[A]	Weighted Average Delinquency[B]
September 30, 2018[C]	$ 85,424	25.0%	$ 85,424	14.4%	1.2	2.3%

(A) Represents the weighted average expected timing of the receipt of expected cash flows for this investment.

(B) Represents the percentage of the total unpaid principal balance that is 30+ days delinquent. Delinquency status is the primary credit quality indicator as it provides early warning of borrowers who may be experiencing financial difficulties.

(C) Data as of August 31, 2018 as a result of the one month reporting lag.

APPLICATION OF CRITICAL ACCOUNTING POLICIES

Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon our Condensed Consolidated Financial Statements, which have been prepared in accordance with GAAP. The preparation of financial statements in conformity with GAAP requires the use of estimates and assumptions that could affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses. Actual results could differ from these estimates. We believe that the estimates and assumptions utilized in the preparation of the Condensed Consolidated Financial Statements are prudent and reasonable. Actual results historically have generally been in line with our estimates and judgments used in applying each of the accounting policies described below, as modified periodically to reflect current market conditions.

Our critical accounting policies as of September 30, 2018, which represent our accounting policies that are most affected by judgments, estimates and assumptions, included all of the critical accounting policies referred to in our annual report on Form 10-K for the year ended December 31, 2017.

Recent Accounting Pronouncements

See Note 1 to our Condensed Consolidated Financial Statements.

RESULTS OF OPERATIONS

The following table summarizes the changes in our results of operations for the three and nine months ended September 30, 2018 compared to the three and nine months ended September 30, 2017 (dollars in thousands). Our results of operations are not necessarily indicative of future performance.

	Three Months Ended September 30,		Increase (Decrease)	Nine Months Ended September 30,		Increase (Decrease)
	2018	2017	Amount	2018	2017	Amount
Interest income	$ 425,524	$ 397,722	$ 27,802	$ 1,212,902	$ 1,162,212	$ 50,690
Interest expense	162,806	125,278	37,528	421,109	338,664	82,445
Net Interest Income	262,718	272,444	(9,726)	791,793	823,548	(31,755)
Impairment						
Other-than-temporary impairment (OTTI) on securities	3,889	1,509	2,380	23,190	8,736	14,454
Valuation and loss provision (reversal) on loans and real estate owned	5,471	26,700	(21,229)	28,136	65,381	(37,245)
	9,360	28,209	(18,849)	51,326	74,117	(22,791)
Net interest income after impairment	253,358	244,235	9,123	740,467	749,431	(8,964)
Servicing revenue, net	175,355	58,014	117,341	538,784	269,467	269,317
Gain on sale of originated mortgage loans, net	45,732	—	45,732	45,732	—	45,732
Other Income						
Change in fair value of investments in excess mortgage servicing rights	(4,744)	(14,291)	9,547	(55,711)	(32,650)	(23,061)
Change in fair value of investments in excess mortgage servicing rights, equity method investees	3,396	2,054	1,342	5,624	6,056	(432)
Change in fair value of investments in mortgage servicing rights financing receivables	(88,345)	70,232	(158,577)	63,628	75,828	(12,200)
Change in fair value of servicer advance investments	(5,353)	10,941	(16,294)	(86,581)	70,469	(157,050)
Gain (loss) on settlement of investments, net	(11,893)	1,553	(13,446)	106,064	1,250	104,814
Earnings from investments in consumer loans, equity method investees	4,555	6,769	(2,214)	12,343	12,649	(306)
Other income (loss), net	19,086	9,887	9,199	39,047	7,696	31,351
	(83,298)	87,145	(170,443)	84,414	141,298	(56,884)
Operating Expenses						
General and administrative expenses	98,587	19,919	78,668	139,169	47,788	91,381
Management fee to affiliate	15,464	14,187	1,277	46,027	41,447	4,580
Incentive compensation to affiliate	23,848	19,491	4,357	65,169	72,123	(6,954)
Loan servicing expense	11,060	13,690	(2,630)	33,609	40,068	(6,459)
Subservicing expense	43,148	49,773	(6,625)	135,703	123,435	12,268
	192,107	117,060	75,047	419,677	324,861	94,816
Income (Loss) Before Income Taxes	199,040	272,334	(73,294)	989,720	835,335	154,385
Income tax expense (benefit)	3,563	32,613	(29,050)	(5,957)	121,053	(127,010)
Net Income (Loss)	$ 195,477	$ 239,721	$ (44,244)	$ 995,677	$ 714,282	$ 281,395
Noncontrolling Interests in Income (Loss) of Consolidated Subsidiaries	$ 10,869	$ 13,600	$ (2,731)	$ 32,058	$ 45,051	$ (12,993)
Net Income (Loss) Attributable to Common Stockholders	$ 184,608	$ 226,121	$ (41,513)	$ 963,619	$ 669,231	$ 294,388

Interest Income

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Interest income increased by $27.8 million, primarily attributable to an increase in interest income of (i) $24.0 million from an increase in the size of the Real Estate Securities portfolio and accelerated accretion on Real Estate Securities owned in Non-Agency RMBS trusts that were terminated upon the execution of calls, an increase of (ii) $11.3 million from the Residential Mortgage Loans portfolio due to the acquisition of loans through the execution of calls, and an increase of (iii) $5.2 million net increase in mortgage servicing assets due to the transfer of HLSS Servicer Advance Investments and Excess MSR investment to Mortgage Servicing Rights Financing Receivables and related servicer advance receivables as a result of the Ocwen Transaction (Note 5 to our Consolidated Financial Statements). The increase was partially offset by (iv) a $12.6 million decrease from Consumer Loans attributable to lower unpaid principal balance.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Interest income increased by $50.7 million, primarily attributable to incremental interest income of (i) $42.7 million from the Residential Mortgage Loans portfolio due to the acquisition of loans through the execution of calls, (ii) $33.5 million increase from an increase in the size of the Real Estate Securities portfolio and accelerated accretion on Real Estate Securities owned in Non-Agency RMBS trusts that were terminated upon the execution of calls, and (iii) an increase of $18.5 million from the MSRs portfolio net of a decrease due to the transfer of HLSS Servicer Advance Investments and Excess MSR investment to Mortgage Servicing Rights Financing Receivables and related servicer advance receivables as a result of the Ocwen Transaction (Note 5 to our Consolidated Financial Statements). The increase was partially offset by (iv) a $45.0 million decrease from Consumer Loans attributable to lower unpaid principal balance.

Interest Expense

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Interest expense increased by $37.5 million primarily attributable to increases of (i) $31.9 million of interest expense on repurchase agreements and financings on Real Estate Securities in which we made additional levered investments subsequent to September 30, 2017, (ii) $8.9 million of interest expense on MSRs and related servicer advances financing obtained subsequent to September 30, 2017, and (iii) $6.9 million on Residential Mortgage Loans due to an increase in the underlying principal balance of the portfolio levered with repurchase agreements. The increases were partially offset by (iv) a $7.4 million decrease in interest on debt collateralized by Excess MSRs as a result of repayments subsequent to September 30, 2017, and (v) a $2.8 million decrease in interest on the Consumer Loan securitization notes due to a decrease in the principal balance outstanding.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Interest expense increased by $82.4 million primarily attributable to increases of (i) $71.5 million of interest expense on repurchase agreements and financings on Real Estate Securities in which we made additional levered investments subsequent to September 30, 2017, (ii) $22.6 million on Residential Mortgage Loans due to an increase in the underlying principal balance of the portfolio levered with repurchase agreements, and (iii) $16.5 million of interest expense on MSRs and related servicer advances financing obtained subsequent to September 30, 2017. The increases were partially offset by (iv) a $19.5 million decrease in interest on debt collateralized by Excess MSRs as a result of repayments subsequent to September 30, 2017, and (v) a $8.8 million decrease in interest on the Consumer Loan securitization notes due to a decrease in the principal balance outstanding.

Other-Than-Temporary Impairment on Securities

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

The other-than-temporary impairment on securities increased by $2.4 million during the three months ended September 30, 2018 compared to the three months ended September 30, 2017 primarily resulting from a decline in fair values on a greater portion of our Non-Agency RMBS, which we purchased with existing credit impairment, below their amortized cost basis as of September 30, 2018.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

The other-than-temporary impairment on securities increased by $14.5 million during the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 primarily resulting from a decline in fair values on a greater portion of

our Non-Agency RMBS, which we purchased with existing credit impairment, below their amortized cost basis as of September 30, 2018.

Valuation and Loss Provision (Reversal) on Loans and Real Estate Owned

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

The $21.2 million decrease in the valuation and loss provision (reversal) on loans and real estate owned resulted from (i) a $18.8 million reversal in impairment on certain non-performing loans with improved performance and certain REOs with an increase in home prices, and (ii) $2.7 million less provision due to a reduction in net charge-offs on the Consumer Loan Companies attributable to lower unpaid principal balance. The decrease was partially offset by (iii) a $0.3 million decrease of reserve related to certain Ginnie Mae EBO servicer advance receivables, during the three months ended September 30, 2018.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

The $37.2 million decrease in the valuation and loss provision (reversal) on loans and real estate owned resulted from (i) a $27.1 million reversal in impairment on certain non-performing loans with improved performance and certain REOs with an increase in home prices, and (ii) $11.2 million less provision due to a reduction in net charge-offs on the Consumer Loan Companies attributable to lower unpaid principal balance. The decrease was partially offset by (iii) a $1.0 million decrease of reserve related to certain Ginnie Mae EBO servicer advance receivables, during the nine months ended September 30, 2018.

Servicing Revenue, Net

The component of servicing revenue, net related to changes in valuation inputs and assumptions related to the following:

	Three Months Ended September 30,		Increase (Decrease)	Nine Months Ended September 30,		Increase (Decrease)
	2018	2017	Amount	2018	2017	Amount
Changes in interest rates and prepayment rates	$ 42,983	$ (41,445)	$ 84,428	$ 209,182	$ (61,271)	$ 270,453
Changes in discount rates	2,658	50,257	(47,599)	46,264	122,347	(76,083)
Changes in other factors	(1,449)	(20,330)	18,881	(28,829)	16,389	(45,218)
Total	$ 44,192	$ (11,518)	$ 55,710	$ 226,617	$ 77,465	$ 149,152

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Servicing revenue, net increased $117.3 million during the three months ended September 30, 2018 compared to the three months ended September 30, 2017 as a result of MSR acquisitions by our licensed servicer subsidiary, NRM (Note 5 to our Condensed Consolidated Financial Statements), as well as the Shellpoint Acquisition (Note 1 to our Condensed Consolidated Financial Statements), which closed subsequent to September 30, 2017. In addition to a $63.7 million increase in servicing fee revenue and fees as a result of MSR acquisitions and the Shellpoint Acquisition that closed subsequent to September 30, 2017, $55.7 million of the increase was related to changes in valuation inputs and assumptions, primarily driven by a decrease in prepayment rates due to an increase in interest rates and an increase in the custodial earnings rate, partially offset by higher delinquency and lower recapture assumptions. The increases were partially offset by a $2.1 million increase in amortization as a result of MSR acquisitions closed subsequent to September 30, 2017.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Servicing revenue, net increased $269.3 million during the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 as a result of MSR acquisitions by our licensed servicer subsidiary, NRM (Note 5 to our Condensed Consolidated Financial Statements), as well as the Shellpoint Acquisition (Note 1 to our Condensed Consolidated Financial Statements), which closed subsequent to September 30, 2017. In addition to a $152.2 million increase in servicing fee revenue and fees as a result of MSR acquisitions and the Shellpoint Acquisition that closed subsequent to September 30, 2017, $149.2 million of the increase was related to changes in valuation inputs and assumptions, primarily driven by a decrease in prepayment rates due to an increase in interest rates and an increase in the custodial earnings rate, partially offset by higher delinquency and lower recapture assumptions. The increases were partially offset by a $32.0 million increase in amortization as a result of MSR acquisitions and the Shellpoint Acquisition that closed subsequent to September 30, 2017.

Gain on sale of originated mortgage loans, net

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

As a result of the Shellpoint Acquisition (Note 1 to our Condensed Consolidated Financial Statements) during the three months ended September 30, 2018, our wholly owned subsidiary, New Penn, originates conventional, government-insured and nonconforming residential mortgage loans for sale and securitization. The GSEs or Ginnie Mae guarantee conventional and government insured mortgage securitizations and private investors issue nonconforming private label mortgage securitizations while New Penn generally retains the right to service the underlying residential mortgage loans. In connection with the transfer of loans, we report Gain on sale of originated mortgage loans, net in the condensed consolidated statements of income.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

As a result of the Shellpoint Acquisition (Note 1 to our Condensed Consolidated Financial Statements) during the nine months ended September 30, 2018, our wholly owned subsidiary, New Penn, originates conventional, government-insured and nonconforming residential mortgage loans for sale and securitization. The GSEs or Ginnie Mae guarantee conventional and government insured mortgage securitizations and private investors issue nonconforming private label mortgage securitizations while New Penn generally retains the right to service the underlying residential mortgage loans. In connection with the transfer of loans, we report Gain on sale of originated mortgage loans, net in the condensed consolidated statements of income.

Change in Fair Value of Investments in Excess Mortgage Servicing Rights

Changes in the fair value of investments in Excess MSRs related to the following:

	Three Months Ended September 30,		Increase (Decrease)	Nine Months Ended September 30,		Increase (Decrease)
	2018	2017	Amount	2018	2017	Amount
Changes in interest rates and prepayment rates	$ (9,872)	$ (14,267)	$ 4,395	$ (15,742)	$ (34,465)	$ 18,723
Changes in discount rates	—	—	—	—	—	—
Changes in other factors	5,128	(24)	5,152	(39,969)	1,815	(41,784)
Total	$ (4,744)	$ (14,291)	$ 9,547	$ (55,711)	$ (32,650)	$ (23,061)

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

The negative mark-to-market adjustments during the three months ended September 30, 2018 and three months ended September 30, 2017 were mainly driven by changes in interest rates and prepayment rates, as well as lower delinquency assumptions.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

The negative mark-to-market adjustments during the nine months ended September 30, 2018 was mainly driven by the realization of unrealized gains related to the Ocwen Transaction (Note 5 to our Condensed Consolidated Financial Statements) of $40.4 million, which are reflected as a reclassification to Gain (Loss) on Settlement of Investments, Net.

Change in Fair Value of Investments in Excess Mortgage Servicing Rights, Equity Method Investees

Changes in the fair value of investments in Excess MSRs, equity method investees related to the following:

	Three Months Ended September 30,		Increase (Decrease)	Nine Months Ended September 30,		Increase (Decrease)
	2018	2017	Amount	2018	2017	Amount
Changes in interest rates and prepayment rates	$ (2,203)	$ (1,823)	$ (380)	$ (3,711)	$ (1,683)	$ (2,028)
Changes in discount rates	—	—	—	—	—	—
Changes in other factors	5,599	3,877	1,722	9,335	7,739	1,596
Total	$ 3,396	$ 2,054	$ 1,342	$ 5,624	$ 6,056	$ (432)

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

The positive mark-to-market adjustments during the three months ended September 30, 2018 were mainly driven by interest income net of expenses recorded at the investee level and other market factors, which totaled $5.6 million during the three months ended September 30, 2018, compared to $3.9 million during the three months ended September 30, 2017.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

The positive mark-to-market adjustments during the nine months ended September 30, 2018 were mainly driven by interest income net of expenses recorded at the investee level and other market factors, which totaled $9.3 million during the nine months ended September 30, 2018, compared to $7.7 million during the nine months ended September 30, 2017.

Change in Fair Value of Investments in Mortgage Servicing Rights Financing Receivables

The component of changes in the fair value of investments in mortgage servicing rights financing receivables related to changes in valuation inputs and assumptions related to the following:

	Three Months Ended September 30,		Increase (Decrease)	Nine Months Ended September 30,		Increase (Decrease)
	2018	2017	Amount	2018	2017	Amount
Changes in interest rates and prepayment rates	$ (4,326)	$ (9,097)	$ 4,771	$ (18,939)	$ (12,625)	$ (6,314)
Changes in discount rates	—	56,694	(56,694)	212,273	65,997	146,276
Changes in other factors	(35,003)	41,518	(76,521)	24,853	42,466	(17,613)
Total	$ (39,329)	$ 89,115	$ (128,444)	$ 218,187	$ 95,838	$ 122,349

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

The change in fair value of investments in mortgage servicing rights financing receivable decreased $158.6 million during the three months ended September 30, 2018 compared to the three months ended September 30, 2017, primarily due to the acquisition of mortgage servicing rights financing receivable as a result of the Ocwen Transaction (Note 5 to our Condensed Consolidated Financial Statements), which is measured at fair value on a recurring basis. $128.4 million of the decrease was related to changes in valuation inputs and assumptions, primarily driven by holding the discount rates constant during the three months ended September 30, 2018 and higher delinquency assumptions, partially offset by higher recapture rates. The remaining $30.2 million of the decrease was driven by amortization of servicing rights.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

The change in fair value of investments in mortgage servicing rights financing receivable decreased $12.2 million during the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017, primarily due to the acquisition of mortgage servicing rights financing receivable as a result of the Ocwen Transaction (Note 5 to our Condensed Consolidated Financial Statements), which is measured at fair value on a recurring basis. $134.5 million of the decrease was related to amortization of servicing rights, partially offset by $122.3 million increase related to changes in valuation inputs and assumptions, primarily due to a decrease in discount rates.

Change in Fair Value of Servicer Advance Investments

Changes in the fair value of Servicer Advance Investments related to the following:

	Three Months Ended September 30,		Increase (Decrease)	Nine Months Ended September 30,		Increase (Decrease)
	2018	2017	Amount	2018	2017	Amount
Changes in interest rates and prepayment rates	$ 820	$ (13,770)	$ 14,590	$ 2,357	$ (17,273)	$ 19,630
Changes in discount rates	(4,173)	(3,099)	(1,074)	(12,829)	(157,903)	145,074
Changes in other factors	(2,000)	27,810	(29,810)	(76,109)	245,645	(321,754)
Total	$ (5,353)	$ 10,941	$ (16,294)	$ (86,581)	$ 70,469	$ (157,050)

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

The positive mark-to-market adjustments during the three months ended September 30, 2017 were mainly driven by changes in valuation inputs and assumptions related to the Ocwen Transaction that caused fair value to increase by $41.5 million, partially offset by an increase in prepayment speed projections. The negative mark-to-market adjustments during the three months ended September 30, 2018 are mainly driven by an increase in discount rate that caused fair value to decrease by $4.2 million.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

The realization of unrealized gains related to the Ocwen Transaction (Note 5 to our Condensed Consolidated Financial Statements) resulted in a reclassification to Gain (Loss) on Settlement of Investments, Net of $72.6 million during the nine months ended September 30, 2018. The positive mark-to-market adjustments during the nine months ended September 30, 2017 were mainly driven by a change in valuation assumptions related to the HLSS portfolio. Primarily, we reduced our assumption related to the cost of subservicing in periods subsequent to the expiration of the related contract to reflect the current characteristics of, and market for, this investment. This change in assumption resulted in a positive mark-to-market adjustment of $193.8 million.

Gain (Loss) on Settlement of Investments, Net

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Gain (loss) on settlement of investments decreased by $13.4 million, primarily related to (i) a $36.1 million change in gain on sale of real estate securities to loss on sale of real estate securities during the three months ended September 30, 2018, (ii) $11.3 million of realized gains related to the Ocwen Transaction (Note 5 to our Condensed Consolidated Financial Statements), which were reclassified from the related change in fair value accounts during the three months ended September 30, 2017, and (iii) a $5.0 million decrease in gain on sale of residential mortgage loans. The decrease was partially offset by (iv) $38.2 million change in loss on settlement of derivatives to gain on settlement of derivatives related to TBAs and interest rate swaps, during the three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Gain (loss) on settlement of investments increased by $104.8 million, primarily related to (i) a $134.4 million change in loss on settlement of derivatives to gain on settlement of derivatives related to TBAs and interest rate swaps, (ii) a $101.7 million increase in realized gains related to the Ocwen Transaction (Note 5 to our Condensed Consolidated Financial Statements), which were reclassified from the related change in fair value accounts, and (iii) a $5.7 million decrease in loss on liquidated residential mortgage loans. The increase was partially offset by (iv) a $96.3 million change in gain on sale of real estate securities to loss on sale of real estate securities, and (v) a $39.3 million change in gain on sale of residential mortgage loans to loss on sale of residential mortgage loans, during the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Earnings from Investments in Consumer Loans, Equity Method Investees

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Earnings from investments in Consumer Loans, Equity Method Investees decreased by $2.2 million as a result of a decrease in net earnings generated by our approximately 25% member interest in LoanCo and WarrantCo (Note 9 to our Condensed Consolidated Financial Statements), during the three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Earnings from investments in Consumer Loans, Equity Method Investees decreased by $0.3 million as a result of a decrease in net earnings generated by our approximately 25% member interest in LoanCo and WarrantCo (Note 9 to our Condensed Consolidated Financial Statements), during the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Other Income (Loss), Net

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Other income (loss), net increased by $9.2 million, primarily attributable to (i) a $20.7 million increase in gain on derivative instruments, (ii) $7.0 million increase in unrealized gain on other ABS, (iii) $1.4 million decrease in REO expenses, and (iv) $1.3 million change in unrealized loss to unrealized gain on retained MSRs. The increase was partially offset by (v) a $9.4 million increase in servicer advance expenses, (vi) a $7.1 million change in unrealized gain to unrealized loss on Ocwen common stock, and (vii) a $4.7 million decrease in other income related to residential mortgage loans during the three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Other income (loss), net increased by $31.4 million, primarily attributable to (i) a $28.1 million change in loss on derivative instruments to gain on derivative instruments, (ii) a $11.7 million increase in unrealized gain on other ABS, and (iii) a $3.3 million increase in gain on excess MSRs. The increase was partially offset by (iv) a $8.2 million increase in servicer advance and REO expenses partially offset by a decrease in reserve on collapse holdback and an increase in unrealized gain on retained MSRs, (v) a $2.3 million decrease in gain on Ocwen common stock acquired in September 2017, and (vi) a $2.0 million change in gain on transfer of loans to other assets to loss on transfer of loans to other assets, during the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

General and Administrative Expenses

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

General and administrative expenses increased by $78.7 million primarily attributable to (i) a $82.5 million increase in compensation and benefits expense and in the other general and administrative expenses resulting from the Shellpoint Acquisition (Note 1 to our Condensed Consolidated Financial Statements) during the three months ended September 30, 2018. The increase was partially offset by (ii) a $2.4 million decrease in securitization fees and other general and administrative expenses, (iii) a $1.0 million decrease in trustee and custodian expenses, and (iii) a $0.8 million decrease in deal expenses, during the three months ended September 30, 2018.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

General and administrative expenses increased by $91.4 million primarily attributable to (i) a $82.5 million increase in compensation and benefits expense and in the other general and administrative expenses resulting from the Shellpoint Acquisition (Note 1 to our Condensed Consolidated Financial Statements), and (ii) $6.8 million increase in deal expenses, during the nine months ended September 30, 2018.

Management Fee to Affiliate

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Management fee to affiliate increased by $1.3 million as a result of increases to our gross equity subsequent to September 30, 2017.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Management fee to affiliate increased by $4.6 million as a result of increases to our gross equity subsequent to September 30, 2017.

Incentive Compensation to Affiliate

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Incentive compensation to affiliate increased by $4.4 million due to an increase in our incentive compensation earnings measure resulting from the changes in the income and expense items described above, excluding any unrealized gains or losses from mark-to-market valuation changes on investments and debt, during the three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Incentive compensation to affiliate decreased by $7.0 million due to a decrease in our incentive compensation earnings measure resulting from the changes in the income and expense items described above, excluding any unrealized gains or losses from mark-to-market valuation changes on investments and debt, during the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Loan Servicing Expense

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Loan servicing expense decreased by $2.6 million primarily due to a $2.1 million decrease of loan servicing expense on Consumer Loans, held for investment, attributable to lower unpaid principal balance.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Loan servicing expense decreased by $6.5 million primarily due to (i) a $6.8 million decrease of loan servicing expense on Consumer Loans, held for investment, attributable to lower unpaid principal balance, partially offset by (ii) a $0.5 million increase of loan servicing expense on Residential Mortgage Loans portfolio due to the acquisition of loans through the execution of calls.

Subservicing Expense

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Subservicing expense decreased $6.6 million during the three months ended September 30, 2018 compared to the three months ended September 30, 2017 as a result of lower ancillary fees and an overall decrease in number of loans subserviced by third parties, partially offset by transactions that closed subsequent to September 30, 2017 within our licensed servicer subsidiary, NRM (Note 5 to our Condensed Consolidated Financial Statements).

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Subservicing expense increased $12.3 million during the nine months ended September 30, 2018 compared to the nine months ended September 30, 2017 as a result of transactions that closed subsequent to September 30, 2017 within our licensed servicer subsidiary, NRM (Note 5 to our Condensed Consolidated Financial Statements).

Income Tax Expense (Benefit)

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Income tax expense (benefit) changed by $29.1 million, as a result of an income tax expense of $3.6 million during the three months ended September 30, 2018 compared to an income tax expense of $32.6 million during the three months ended September 30, 2017, primarily due to (i) realization of deferred tax assets related to the Ocwen Transaction (Note 5 to our Condensed Consolidated Financial Statements), (ii) net deferred tax expense resulting from changes in assumptions impacting interest income and mark-to-market on investments in Servicer Advances during the three months ended September 30, 2017, (iii) mark-to-market and interest income on Servicing Related Assets during the three months ended September 30, 2018, and (iv) a decrease in effective tax rates subsequent to September 30, 2017.

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Income tax expense (benefit) changed by $127.0 million, as a result of an income tax benefit of $6.0 million during the nine months ended September 30, 2018 compared to an income tax expense of $121.1 million during the nine months ended September 30, 2017, primarily due to (i) realization of deferred tax assets related to the Ocwen Transaction (Note 5 to our Condensed Consolidated Financial Statements), (ii) net deferred tax expense resulting from changes in assumptions impacting interest income and mark-to-market on investments in Servicer Advances during the nine months ended September 30, 2017, (iii) mark-to-market and interest income on Servicing Related Assets during the nine months ended September 30, 2018, and (iv) a decrease in effective tax rates subsequent to September 30, 2017.

Noncontrolling Interests in Income (Loss) of Consolidated Subsidiaries

Three months ended September 30, 2018 compared to the three months ended September 30, 2017.

Noncontrolling interests in income of consolidated subsidiaries decreased by $2.7 million primarily due to (i) a $1.3 million decrease in other's interest in the net income of the Buyer as a result of a decrease in noncontrolling ownership from 54.2% to 27.2% in August 2017, as well as a net decrease in interest income earned on the Buyer's levered assets and in the change in fair value of the Buyer's assets, during the three months ended September 30, 2018, and (ii) a $2.6 million decrease from a net decrease in income from the Consumer Loan Companies, which are 46.5% owned by third parties. The decrease was partially offset by (iii) a $1.2 million increase in noncontrolling interest in income (loss) as a result of the Shellpoint Acquisition (Note 1 to our Condensed Financial Statements).

Nine months ended September 30, 2018 compared to the nine months ended September 30, 2017.

Noncontrolling interests in income of consolidated subsidiaries decreased by $13.0 million primarily due to (i) a $8.0 million decrease in other's interest in the net income of the Buyer as a result of a decrease in noncontrolling ownership from 54.2% to 27.2% in August 2017, as well as a net decrease in interest income earned on the Buyer's levered assets and in the change in fair value of the Buyer's assets, during the nine months ended September 30, 2018, and (ii) a $6.2 million decrease from a net decrease in income from the Consumer Loan Companies, which are 46.5% owned by third parties. The decrease was partially offset by (iii) a $1.2 million increase in noncontrolling interest in income (loss) as a result of the Shellpoint Acquisition (Note 1 to our Condensed Financial Statements).

Other Comprehensive Income. See "—Accumulated Other Comprehensive Income (Loss)" below.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity is a measurement of our ability to meet potential cash requirements, including ongoing commitments to repay borrowings, fund and maintain investments, and other general business needs. Additionally, to maintain our status as a REIT under the Internal Revenue Code, we must distribute annually at least 90% of our REIT taxable income. We note that a portion of this requirement may be able to be met in future years through stock dividends, rather than cash, subject to limitations based on the value of our stock.

Our primary sources of funds for liquidity generally consist of cash provided by operating activities (primarily income from our investments in Excess MSRs, MSRs, Servicer Advance Investments, RMBS and loans), sales of and repayments from our investments, potential debt financing sources, including securitizations, and the issuance of equity securities, when feasible and appropriate. Our ability to utilize funds generated by the MSRs held in our servicer subsidiaries, NRM and NPF, is subject to regulatory requirements regarding NRM's and NPF's liquidity. As of September 30, 2018, approximately $222.8 million of our cash and cash equivalents was held at NRM and NPF, of which $103.1 million was in excess of regulatory liquidity requirements and available for deployment. Our primary uses of funds are the payment of interest, management fees, incentive compensation, servicing and subservicing expenses, outstanding commitments (including margins) and other operating expenses, and the repayment of borrowings and hedge obligations, as well as dividends. Although we have other sources of liquidity, such as sales of and repayments from our investments, potential debt financing sources and the issuance of equity securities, there can be no assurance that we will generate sufficient cash or achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions in the future. We have also committed to purchase certain future servicer advances. Currently, we expect that net recoveries of servicer advances will exceed net fundings for the foreseeable future. However, in the event of a significant economic downturn, net fundings could exceed net recoveries, which could have a materially adverse impact on our liquidity and could also result in additional expenses, primarily interest expense on any related financings of incremental advances.

Currently, our primary sources of financing are notes and bonds payable and repurchase agreements, although we have in the past and may in the future also pursue one or more other sources of financing such as securitizations and other secured and unsecured forms of borrowing. As of September 30, 2018, we had outstanding repurchase agreements with an aggregate face amount of approximately $14.4 billion to finance our investments. The financing of our entire RMBS portfolio, which generally has 30 to 90 day terms, is subject to margin calls. Under repurchase agreements, we sell a security to a counterparty and concurrently agree to repurchase the same security at a later date for a higher specified price. The sale price represents financing proceeds and the difference between the sale and repurchase prices represents interest on the financing. The price at which the security is sold generally represents the market value of the security less a discount or "haircut," which can range broadly, for example from 4% - 5% for Agency RMBS, 7% - 60% for Non-Agency RMBS, and 3% - 50% for residential mortgage loans. During the term of the repurchase agreement, the counterparty holds the security as collateral. If the agreement is subject to margin calls, the counterparty

monitors and calculates what it estimates to be the value of the collateral during the term of the agreement. If this value declines by more than a de minimis threshold, the counterparty could require us to post additional collateral (or "margin") in order to maintain the initial haircut on the collateral. This margin is typically required to be posted in the form of cash and cash equivalents. Furthermore, we may, from time to time, be a party to derivative agreements or financing arrangements that may be subject to margin calls based on the value of such instruments. In addition, $2.7 billion face amount of our MSR and Excess MSR financing is subject to mandatory monthly repayment to the extent that the outstanding balance exceeds the market value (as defined in the related agreement) of the financed asset multiplied by the contractual maximum loan-to-value ratio. We seek to maintain adequate cash reserves and other sources of available liquidity to meet any margin calls or related requirements resulting from decreases in value related to a reasonably possible (in our opinion) change in interest rates.

Our ability to obtain borrowings and to raise future equity capital is dependent on our ability to access borrowings and the capital markets on attractive terms. We continually monitor market conditions for financing opportunities and at any given time may be entering or pursuing one or more of the transactions described above. Our Manager's senior management team has extensive long-term relationships with investment banks, brokerage firms and commercial banks, which we believe will enhance our ability to source and finance asset acquisitions on attractive terms and access borrowings and the capital markets at attractive levels.

With respect to the next 12 months, we expect that our cash on hand combined with our cash flow provided by operations and our ability to roll our repurchase agreements and servicer advance financings will be sufficient to satisfy our anticipated liquidity needs with respect to our current investment portfolio, including related financings, potential margin calls and operating expenses. Our ability to roll over short-term borrowings is critical to our liquidity outlook. While it is inherently more difficult to forecast beyond the next 12 months, we currently expect to meet our long-term liquidity requirements through our cash on hand and, if needed, additional borrowings, proceeds received from repurchase agreements and other financings, proceeds from equity offerings and the liquidation or refinancing of our assets.

These short-term and long-term expectations are forward-looking and subject to a number of uncertainties and assumptions, including those described under "—Market Considerations" as well as "Risk Factors." If our assumptions about our liquidity prove to be incorrect, we could be subject to a shortfall in liquidity in the future, and such a shortfall may occur rapidly and with little or no notice, which could limit our ability to address the shortfall on a timely basis and could have a material adverse effect on our business.

Our cash flow provided by operations differs from our net income due to these primary factors: (i) the difference between (a) accretion and amortization and unrealized gains and losses recorded with respect to our investments and (b) cash received therefrom, (ii) unrealized gains and losses on our derivatives, and recorded impairments, if any, (iii) deferred taxes, and (iv) principal cash flows related to held-for-sale loans, which are characterized as operating cash flows under GAAP.

In addition to the information referenced above, the following factors could affect our liquidity, access to capital resources and our capital obligations. As such, if their outcomes do not fall within our expectations, changes in these factors could negatively affect our liquidity.

- *Access to Financing from Counterparties* – Decisions by investors, counterparties and lenders to enter into transactions with us will depend upon a number of factors, such as our historical and projected financial performance, compliance with the terms of our current credit arrangements, industry and market trends, the availability of capital and our investors', counterparties' and lenders' policies and rates applicable thereto, and the relative attractiveness of alternative investment or lending opportunities. Our business strategy is dependent upon our ability to finance certain of our investments at rates that provide a positive net spread.
- *Impact of Expected Repayment or Forecasted Sale on Cash Flows* – The timing of and proceeds from the repayment or sale of certain investments may be different than expected or may not occur as expected. Proceeds from sales of assets are unpredictable and may vary materially from their estimated fair value and their carrying value. Further, the availability of investments that provide similar returns to those repaid or sold investments is unpredictable and returns on new investments may vary materially from those on existing investments.

Debt Obligations

The following table presents certain information regarding our debt obligations (dollars in thousands):

	September 30, 2018								
						Collateral			
Debt Obligations/Collateral	Outstanding Face Amount	Carrying Value[A]	Final Stated Maturity[B]	Weighted Average Funding Cost	Weighted Average Life (Years)	Outstanding Face	Amortized Cost Basis	Carrying Value	Weighted Average Life (Years)
Repurchase Agreements[C]									
Agency RMBS[D]	$ 4,152,930	$ 4,152,930	Oct-18	2.24%	0.1	$ 4,270,689	$ 4,338,416	$ 4,304,875	2.0
Non-Agency RMBS[E]	7,438,875	7,438,647	Oct-18 to Mar-19	3.32%	0.1	15,895,795	8,379,793	8,861,324	7.1
Residential Mortgage Loans[F]	2,707,458	2,706,521	Oct-18 to Aug-20	3.92%	0.5	3,155,945	2,992,424	2,996,601	11.2
Real Estate Owned[G][H]	88,960	88,922	Oct-18 to Dec-19	4.36%	0.2	N/A	N/A	108,684	N/A
Total Repurchase Agreements	14,388,223	14,387,020		3.13%	0.2				
Notes and Bonds Payable									
Excess MSRs[I]	297,759	297,563	Feb-20 to Jul-22	4.90%	3.0	144,869,048	386,578	492,684	5.7
MSRs[J]	2,450,580	2,441,750	Feb-19 to Jul-24	4.24%	3.2	382,479,510	3,741,451	4,553,076	6.7
Servicer Advances[K]	3,390,918	3,385,842	Mar-19 to Dec-21	3.54%	2.0	3,832,948	4,000,262	4,017,057	1.4
Residential Mortgage Loans[L]	125,355	123,097	Oct-18 to Jul-43	3.74%	6.3	132,091	128,702	125,928	6.4
Consumer Loans[M]	1,008,341	1,004,608	Dec-21 to Mar-24	3.39%	2.9	1,141,907	1,145,026	1,140,618	3.5
Receivable from government agency[L]	2,086	2,086	Oct-18	4.42%	0.1	N/A	N/A	1,461	N/A
Total Notes and Bonds Payable	7,275,039	7,254,946		3.82%	2.6				
Total/ Weighted Average	$ 21,663,262	$ 21,641,966		3.36%	1.0				

(A) Net of deferred financing costs.

(B) All debt obligations with a stated maturity through October 30, 2018 were refinanced, extended or repaid.

(C) These repurchase agreements had approximately $27.6 million of associated accrued interest payable as of September 30, 2018.

(D) All of the Agency RMBS repurchase agreements have a fixed rate. Collateral amounts include approximately $3.4 billion of related trade and other receivables.

(E) $7,193.3 million face amount of the Non-Agency RMBS repurchase agreements have LIBOR-based floating interest rates while the remaining $245.6 million face amount of the Non-Agency RMBS repurchase agreements have a fixed rate. This also includes repurchase agreements of $166.1 million on retained servicer advance and consumer loan bonds.

(F) All of these repurchase agreements have LIBOR-based floating interest rates.

(G) All of these repurchase agreements have LIBOR-based floating interest rates.

(H) Includes financing collateralized by receivables including claims from FHA on Ginnie Mae EBO loans for which foreclosure has been completed and for which we have made or intend to make a claim on the FHA guarantee.

(I) Includes $197.8 million of corporate loans which bear interest equal to the sum of (i) a floating rate index equal to one-month LIBOR and (ii) a margin of 3.00%, and includes corporate loans with $100.0 million balance currently outstanding which bear interest equal to the sum of (i) a floating rate index equal to one-month LIBOR and (ii) a margin of 2.50%. The outstanding face amount of the collateral represents the UPB of our residential mortgage loans underlying our interests in MSRs that secure these notes.

(J) Includes: $574.5 million of MSR notes which bear interest equal to the sum of (i) a floating rate index equal to one-month LIBOR and (ii) a margin of 2.25%; $38.4 million of MSR notes which bear interest equal to the sum of (i) a floating rate index equal to one-month LIBOR and (ii) a margin of 2.50%; and $1,837.7 million of public notes with fixed interest rates ranging from 3.55% to 4.62%. The outstanding face amount of the collateral represents the UPB of the residential mortgage loans underlying the MSRs and mortgage servicing rights financing receivables that secure these notes.

(K) $3.0 billion face amount of the notes have a fixed rate while the remaining notes bear interest equal to the sum of (i) a floating rate index equal to one-month LIBOR or a cost of funds rate, as applicable, and (ii) a margin ranging from 2.0% to 2.2%. Collateral includes Servicer Advance Investments, as well as servicer advances receivable related to the mortgage servicing rights and mortgage servicing rights financing receivables owned by NRM.

(L) Represents: (i) a $7.7 million note payable to Nationstar that bears interest equal to one-month LIBOR plus 2.88%.

(M) Includes the SpringCastle debt, which is comprised of the following classes of asset-backed notes held by third parties: $730.3 million UPB of Class A notes with a coupon of 3.05% and a stated maturity date in November 2023; $210.8 million UPB of Class B notes with a coupon of 4.10% and a stated maturity date in March 2024; $18.3 million UPB of Class C-1 notes with a coupon of 5.63% and a stated maturity date in March 2024; $18.3 million UPB of Class C-2 notes with a coupon of 5.63% and a stated maturity date in March 2024. Also includes a $30.6 million face amount note which bears interest equal to 4.00%.

Certain of the debt obligations included above are obligations of our consolidated subsidiaries, which own the related collateral. In some cases, such collateral is not available to other creditors of ours.

We have margin exposure on $14.4 billion of repurchase agreements. To the extent that the value of the collateral underlying these repurchase agreements declines, we may be required to post margin, which could significantly impact our liquidity.

The following table provides additional information regarding our short-term borrowings (dollars in thousands):

		Nine Months Ended September 30, 2018		
	Outstanding Balance at September 30, 2018	Average Daily Amount Outstanding[A]	Maximum Amount Outstanding	Weighted Average Daily Interest Rate
Repurchase Agreements				
Agency RMBS	$ 4,152,930	$ 1,700,255	$ 4,152,930	1.97%
Non-Agency RMBS	7,438,875	5,438,864	7,438,909	3.25%
Residential mortgage loans	2,571,263	1,943,690	2,990,892	3.92%
Real estate owned	88,960	86,970	137,095	3.95%
Notes and Bonds Payable				
MSRs	574,520	344,196	596,898	4.28%
Servicer advances	554,086	267,634	603,742	3.02%
Residential mortgage loans	5,627	6,485	7,597	4.44%
Receivable from government agency	2,086	2,294	3,231	4.42%
Total/Weighted Average	$ 15,388,347	$ 9,790,388		3.05%

(A) Represents the average for the period the debt was outstanding.

	Average Daily Amount Outstanding[A]			
	Three Months Ended			
	December 31, 2017	March 31, 2018	June 30, 2018	September 30, 2018
Repurchase Agreements				
Agency RMBS	$ 1,900,271	$ 1,280,639	$ 1,165,909	$ 2,639,286
Non-Agency RMBS	4,584,859	4,946,706	5,259,463	6,094,029
Residential mortgage loans	1,596,385	1,178,834	1,617,382	2,154,943
Real estate owned	102,464	102,198	85,368	73,656

(A) Represents the average for the period the debt was outstanding.

For additional information on our debt activities, see Note 11 to our Condensed Consolidated Financial Statements.

Maturities

Our debt obligations as of September 30, 2018, as summarized in Note 11 to our Condensed Consolidated Financial Statements, had contractual maturities as follows (in thousands):

Year	Nonrecourse[A]	Recourse[B]	Total
October 1 through December 31, 2018	$ —	$ 12,480,602	$ 12,480,602
2019	826,188	2,472,426	3,298,614
2020	812,745	115,465	928,210
2021	1,784,596	784,589	2,569,185
2022	38,378	197,759	236,137
2023 and thereafter	1,097,462	1,053,052	2,150,514
	$ 4,559,369	$ 17,103,893	$ 21,663,262

(A) Includes repurchase agreements and notes and bonds payable of $2.0 million and $4,557.0 million, respectively.

(B) Includes repurchase agreements and notes and bonds payable of $14,386.0 million and $2,718.0 million, respectively.

The weighted average differences between the fair value of the assets and the face amount of available financing for the Agency RMBS repurchase agreements (including amounts related to Trades Receivable) and Non-Agency RMBS repurchase agreements were 3.5% and 16.1%, respectively, and for Residential Mortgage Loans and Real Estate Owned were 9.6% and 18.1%, respectively, during the nine months ended September 30, 2018.

Borrowing Capacity

The following table represents our borrowing capacity as of September 30, 2018 (in thousands):

Debt Obligations/ Collateral	Borrowing Capacity	Balance Outstanding	Available Financing
Repurchase Agreements			
Residential mortgage loans and REO	$ 5,197,961	$ 2,796,418	$ 2,401,543
Notes and Bonds Payable			
Excess MSRs	150,000	100,000	50,000
MSRs	990,000	612,899	377,101
Servicer advances[A]	1,710,000	1,377,259	332,741
Consumer loans	150,000	30,607	119,393
	$ 8,197,961	$ 4,917,183	$ 3,280,778

(A) Our unused borrowing capacity is available to us if we have additional eligible collateral to pledge and meet other borrowing conditions as set forth in the applicable agreements, including any applicable advance rate. We pay a 0.1% fee on the unused borrowing capacity. Excludes borrowing capacity and outstanding debt for retained Non-Agency bonds, collateralized by servicer advances with a current face amount of $86.3 million.

Covenants

Certain of the debt obligations are subject to customary loan covenants and event of default provisions, including event of default provisions triggered by certain specified declines in our equity or failure to maintain a specified tangible net worth, liquidity, or indebtedness to tangible net worth ratio. We were in compliance with all of our debt covenants as of September 30, 2018.

Stockholders' Equity

Common Stock

Approximately 0.5 million shares of our common stock were held by Fortress, through its affiliates, as of September 30, 2018.

In January 2018, we issued 28.8 million shares of our common stock in a public offering at a price to the public of $17.10 per share for net proceeds of approximately $482.3 million. To compensate the Manager for its successful efforts in raising capital for us, in connection with this offering, we granted options to the Manager relating to 2.9 million shares of our common stock at the public offering price, which had a fair value of approximately $3.8 million as of the grant date. The assumptions used in valuing the options were: a 2.58% risk-free rate, a 9.86% dividend yield, 23.16% volatility and a 10-year term.

On July 30, 2018, we entered into a Distribution Agreement to sell shares of its common stock, par value $0.01 per share (the "ATM Shares"), having an aggregate offering price of up to $500.0 million, from time to time, through an "at-the-market" equity offering program (the "ATM Program"). During the three months ended September 30, 2018, we sold 0.5 million ATM Shares for an aggregate proceeds of $9.1 million. In connection with the shares sold under the ATM program, we granted options to the Manager relating to 0.05 million shares of our common stock at the offering price, which had fair value of approximately $0.1 million as of the grant date.

As of September 30, 2018, our outstanding options had a weighted average exercise price of $15.57. Our outstanding options as of September 30, 2018 were summarized as follows:

Held by the Manager	4,086,222
Issued to the Manager and subsequently assigned to certain of the Manager's employees	1,530,916
Issued to the independent directors	6,000
Total	5,623,138

Accumulated Other Comprehensive Income (Loss)

During the nine months ended September 30, 2018, our accumulated other comprehensive income (loss) changed due to the following factors (in thousands):

	Total Accumulated Other Comprehensive Income
Accumulated other comprehensive income, December 31, 2017	$ 364,467
Net unrealized gain (loss) on securities	14,600
Reclassification of net realized (gain) loss on securities into earnings	89,885
Accumulated other comprehensive income, September 30, 2018	$ 468,952

Our GAAP equity changes as our real estate securities portfolio is marked to market each quarter, among other factors. The primary causes of mark to market changes are changes in interest rates and credit spreads. During the nine months ended September 30, 2018, we recorded unrealized gains on our real estate securities primarily caused by performance, liquidity and other factors related specifically to certain investments, coupled with a net tightening of mortgage credit spreads. We recorded OTTI charges of $23.2 million with respect to real estate securities and realized losses of $66.7 million on sales of real estate securities.

See "—Market Considerations" above for a further discussion of recent trends and events affecting our unrealized gains and losses, as well as our liquidity.

Common Dividends

We are organized and intend to conduct our operations to qualify as a REIT for U.S. federal income tax purposes. We intend to make regular quarterly distributions to holders of our common stock. U.S. federal income tax law generally requires that a REIT distribute annually at least 90% of its REIT taxable income, without regard to the deduction for dividends paid and excluding net capital gains, and that it pay tax at regular corporate rates to the extent that it annually distributes less than 100% of its taxable income. We intend to make regular quarterly distributions of our taxable income to holders of our common stock out of assets legally available for this purpose, if and to the extent authorized by our board of directors. Before we pay any dividend, whether for U.S. federal income tax purposes or otherwise, we must first meet both our operating requirements and debt service on our repurchase agreements and other debt payable. If our cash available for distribution is less than our taxable income, we could be required to sell assets or raise capital to make cash distributions or we may make a portion of the required distribution in the form of a taxable stock distribution or distribution of debt securities.

We make distributions based on a number of factors, including an estimate of taxable earnings per common share. Dividends distributed and taxable and GAAP earnings will typically differ due to items such as fair value adjustments, differences in premium amortization and discount accretion, other differences in method of accounting, non-deductible general and administrative expenses, taxable income arising from certain modifications of debt instruments and investments held in TRSs. Our quarterly dividend per share may be substantially different than our quarterly taxable earnings and GAAP earnings per share.

Common Dividends Declared for the Period Ended	Paid/Payable	Amount Per Share
December 31, 2017	January 2018	$ 0.50
March 31, 2018	April 2018	$ 0.50
June 30, 2018	July 2018	$ 0.50
September 30, 2018	October 2018	$ 0.50

Cash Flow

Operating Activities

Net cash flows provided by operating activities increased approximately $542.1 million for the nine months ended September 30, 2018 as compared to the nine months ended September 30, 2017. Operating cash flows for the nine months ended September 30, 2018 primarily consisted of proceeds from sales and principal repayments of purchased residential mortgage loans, held-for-sale of $3.9 billion, servicing fees received of $423.1 million, net funding of servicer advances receivable of $441.4 million, collections on receivables and other assets of $41.6 million, net interest income received of $830.2 million, and distributions of earnings from equity method investees of $14.2 million. Operating cash outflows primarily consisted of purchases of residential mortgage loans, held-for-sale of $3.3 billion originating of $(1.7) billion, incentive compensation and management fees paid to the Manager of $127.0 million, income taxes paid of $3.2 million, subservicing fees paid of $224.5 million and other outflows of approximately $160.9 million that primarily consisted of general and administrative costs and loan servicing fees.

Investing Activities

Cash flows provided by (used in) investing activities were $(5.0) billion for the nine months ended September 30, 2018. Investing activities consisted primarily of the acquisition of MSRs, real estate securities, and the funding of servicer advances, net of principal repayments from Servicer Advance Investments, MSRs, real estate securities and loans as well as proceeds from the sale of real estate securities, loans and REO, and derivative cash flows.

Financing Activities

Cash flows provided by (used in) financing activities were approximately $5.1 billion during the nine months ended September 30, 2018. Financing activities consisted primarily of borrowings net of repayments under debt obligations, equity offerings, capital contributions net of distributions from noncontrolling interests in the equity of consolidated subsidiaries, and payment of dividends.

INTEREST RATE, CREDIT AND SPREAD RISK

We are subject to interest rate, credit and spread risk with respect to our investments. These risks are further described in “Quantitative and Qualitative Disclosures About Market Risk.”

OFF-BALANCE SHEET ARRANGEMENTS

We have material off-balance sheet arrangements related to our non-consolidated securitizations of residential mortgage loans treated as sales in which we retained certain interests. We believe that these off-balance sheet structures presented the most efficient and least expensive form of financing for these assets at the time they were entered and represented the most common market-accepted method for financing such assets. Our exposure to credit losses related to these non-recourse, off-balance sheet financings is limited to $1,106.6 million. As of September 30, 2018, there was $6,753.8 million in total outstanding unpaid principal balance of residential mortgage loans underlying such securitization trusts that represent off-balance sheet financings.

We have a co-investment in a portfolio of consumer loans held through an entity (“LoanCo”) which we account for under the equity method. LoanCo had outstanding debt of $49.7 million as of August 31, 2018. We have not guaranteed this debt.

We did not have any other off-balance sheet arrangements as of September 30, 2018. We did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured investment vehicles, or special purpose or variable interest entities, established to facilitate off-balance sheet arrangements or other contractually narrow or limited purposes, other than the entities described above. Further, we have not guaranteed any obligations of unconsolidated entities or entered into any commitment and do not intend to provide additional funding to any such entities.

CONTRACTUAL OBLIGATIONS

Our contractual obligations as of September 30, 2018 included all of the material contractual obligations referred to in our annual report on Form 10-K for the year ended December 31, 2017, excluding debt that was repaid as described in "—Liquidity and Capital Resources—Debt Obligations."

In addition, we executed the following material contractual obligations during the nine months ended September 30, 2018:

- *Derivatives* – as described in Note 10 to our Condensed Consolidated Financial Statements, we have altered the composition of our economic hedges during the period.
- *Debt obligations* – as described in Note 11 to our Condensed Consolidated Financial Statements, we borrowed additional amounts.

See Notes 14 and 18 to our Condensed Consolidated Financial Statements included in this report for information regarding commitments and material contracts entered into subsequent to September 30, 2018, if any. As described in Note 14, we have committed to purchase certain future servicer advances. The actual amount of future advances is subject to significant uncertainty. However, we currently expect that net recoveries of servicer advances will exceed net fundings for the foreseeable future. This expectation is based on judgments, estimates and assumptions, all of which are subject to significant uncertainty, as further described in "—Application of Critical Accounting Policies—Servicer Advance Investments." In addition, the Consumer Loan Companies have invested in loans with an aggregate of $182.6 million of unfunded and available revolving credit privileges as of September 30, 2018. However, under the terms of these loans, requests for draws may be denied and unfunded availability may be terminated at management's discretion.

INFLATION

Virtually all of our assets and liabilities are financial in nature. As a result, interest rates and other factors affect our performance more so than inflation, although inflation rates can often have a meaningful influence over the direction of interest rates. Furthermore, our financial statements are prepared in accordance with GAAP and our distributions are determined by our board of directors primarily based on a number of factors, including taxable income, and, in each case, our activities and balance sheet are measured with reference to historical cost and/or fair market value without considering inflation. See "Quantitative and Qualitative Disclosures About Market Risk—Interest Rate Risk."

CORE EARNINGS

We have four primary variables that impact our operating performance: (i) the current yield earned on our investments, (ii) the interest expense under the debt incurred to finance our investments, (iii) our operating expenses and taxes and (iv) our realized and unrealized gains or losses, including any impairment, on our investments. "Core earnings" is a non-GAAP measure of our operating performance, excluding the fourth variable above and adjusts the earnings from the consumer loan investment to a level yield basis. Core earnings is used by management to evaluate our performance without taking into account: (i) realized and unrealized gains and losses, which although they represent a part of our recurring operations, are subject to significant variability and are generally limited to a potential indicator of future economic performance; (ii) incentive compensation paid to our Manager; (iii) non-capitalized transaction-related expenses; and (iv) deferred taxes, which are not representative of current operations.

Our definition of core earnings includes accretion on held-for-sale loans as if they continued to be held-for-investment. Although we intend to sell such loans, there is no guarantee that such loans will be sold or that they will be sold within any expected timeframe. During the period prior to sale, we continue to receive cash flows from such loans and believe that it is appropriate to record a yield thereon. In addition, our definition of core earnings excludes all deferred taxes, rather than just deferred taxes related to unrealized gains or losses, because we believe deferred taxes are not representative of current operations. Our definition of core earnings also limits accreted interest income on RMBS where we receive par upon the exercise of associated call rights based on the estimated value of the underlying collateral, net of related costs including advances. We created this limit in order to be able to accrete to the lower of par or the net value of the underlying collateral, in instances where the net value of the underlying collateral is lower than par. We believe this amount represents the amount of accretion we would have expected to earn on such bonds had the call rights not been exercised.

Our investments in consumer loans are accounted for under ASC No. 310-20 and ASC No. 310-30, including certain non-performing consumer loans with revolving privileges that are explicitly excluded from being accounted for under ASC No. 310-30. Under ASC No. 310-20, the recognition of expected losses on these non-performing consumer loans is delayed in comparison to the level yield methodology under ASC No. 310-30, which recognizes income based on an expected cash flow model reflecting an investment's lifetime expected losses. The purpose of the Core Earnings adjustment to adjust consumer loans to a level yield is to present income recognition across the consumer loan portfolio in the manner in which it is economically earned, avoid potential delays in loss recognition, and align it with our overall portfolio of mortgage-related assets which generally record income on a level yield basis. With respect to consumer loans classified as held-for-sale, the level yield is computed through the expected sale date. With respect to the gains recorded under GAAP in 2014 and 2016 as a result of a refinancing of, and the consolidation of, the Consumer Loan Companies, respectively, we continue to record a level yield on those assets based on their original purchase price.

While incentive compensation paid to our Manager may be a material operating expense, we exclude it from core earnings because (i) from time to time, a component of the computation of this expense will relate to items (such as gains or losses) that are excluded from core earnings, and (ii) it is impractical to determine the portion of the expense related to core earnings and non-core earnings, and the type of earnings (loss) that created an excess (deficit) above or below, as applicable, the incentive compensation threshold. To illustrate why it is impractical to determine the portion of incentive compensation expense that should be allocated to core earnings, we note that, as an example, in a given period, we may have core earnings in excess of the incentive compensation threshold but incur losses (which are excluded from core earnings) that reduce total earnings below the incentive compensation threshold. In such case, we would either need to (a) allocate zero incentive compensation expense to core earnings, even though core earnings exceeded the incentive compensation threshold, or (b) assign a "pro forma" amount of incentive compensation expense to core earnings, even though no incentive compensation was actually incurred. We believe that neither of these allocation methodologies achieves a logical result. Accordingly, the exclusion of incentive compensation facilitates comparability between periods and avoids the distortion to our non-GAAP operating measure that would result from the inclusion of incentive compensation that relates to non-core earnings.

With regard to non-capitalized transaction-related expenses, management does not view these costs as part of our core operations, as they are considered by management to be similar to realized losses incurred at acquisition. Non-capitalized transaction-related expenses are generally legal and valuation service costs, as well as other professional service fees, incurred when we acquire certain investments, as well as costs associated with the acquisition and integration of acquired businesses.

As of the third quarter of 2018, as a result of the Shellpoint Acquisition, the Company, through its wholly owned subsidiary, New Penn, originates conventional, government-insured and nonconforming residential mortgage loans for sale and securitization. In connection with the transfer of loans to the GSEs or mortgage investors, New Residential reports realized gains or losses on the sale of originated residential mortgage loans and retention of mortgage servicing rights, which we believe is an indicator of performance for the Servicing and Origination segment and therefore included in core earnings. Realized gains or losses on the

sale of originated residential mortgage loans had no impact on core earnings in any prior period, but may impact core earnings in future periods.

Management believes that the adjustments to compute “core earnings” specified above allow investors and analysts to readily identify and track the operating performance of the assets that form the core of our activity, assist in comparing the core operating results between periods, and enable investors to evaluate our current core performance using the same measure that management uses to operate the business. Management also utilizes core earnings as a measure in its decision-making process relating to improvements to the underlying fundamental operations of our investments, as well as the allocation of resources between those investments, and management also relies on core earnings as an indicator of the results of such decisions. Core earnings excludes certain recurring items, such as gains and losses (including impairment as well as derivative activities) and non-capitalized transaction-related expenses, because they are not considered by management to be part of our core operations for the reasons described herein. As such, core earnings is not intended to reflect all of our activity and should be considered as only one of the factors used by management in assessing our performance, along with GAAP net income which is inclusive of all of our activities.

The primary differences between core earnings and the measure we use to calculate incentive compensation relate to (i) realized gains and losses (including impairments), (ii) non-capitalized transaction-related expenses and (iii) deferred taxes (other than those related to unrealized gains and losses). Each are excluded from core earnings and included in our incentive compensation measure (either immediately or through amortization). In addition, our incentive compensation measure does not include accretion on held-for-sale loans and the timing of recognition of income from consumer loans is different. Unlike core earnings, our incentive compensation measure is intended to reflect all realized results of operations. The Gain on Remeasurement of Consumer Loans Investment was treated as an unrealized gain for the purposes of calculating incentive compensation and was therefore excluded from such calculation.

Core earnings does not represent and should not be considered as a substitute for, or superior to, net income or as a substitute for, or superior to, cash flows from operating activities, each as determined in accordance with U.S. GAAP, and our calculation of this measure may not be comparable to similarly entitled measures reported by other companies. For a further description of the difference between cash flow provided by operations and net income, see "—Liquidity and Capital Resources" above. Set forth below is a reconciliation of core earnings to the most directly comparable GAAP financial measure (dollars in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2018	2017	2018	2017
Net income attributable to common stockholders	$ 184,608	$ 226,121	$ 963,619	$ 669,231
Impairment	9,360	28,209	51,326	74,117
Other Income adjustments:				
Other Income				
Change in fair value of investments in excess mortgage servicing rights	4,744	14,291	55,711	32,650
Change in fair value of investments in excess mortgage servicing rights, equity method investees	(3,396)	(2,054)	(5,624)	(6,056)
Change in fair value of investments in mortgage servicing rights financing receivables	39,329	(89,115)	(218,187)	(95,838)
Change in fair value of servicer advance investments	5,353	(10,941)	86,581	(70,469)
(Gain) loss on settlement of investments, net	11,893	(1,553)	(106,064)	(1,250)
Unrealized (gain) loss on derivative instruments	(24,299)	(3,560)	(27,985)	124
Unrealized (gain) loss on other ABS	(7,197)	(189)	(12,001)	(340)
(Gain) loss on transfer of loans to REO	(6,119)	(5,179)	(16,609)	(16,791)
(Gain) loss on transfer of loans to other assets	1,528	(66)	1,648	(359)
(Gain) loss on Excess MSRs	(987)	(606)	(5,257)	(1,948)
(Gain) loss on Ocwen common stock	145	(6,987)	(4,655)	(6,987)
Other (income) loss	17,843	6,700	25,812	18,605
Total Other Income Adjustments	38,837	(99,259)	(226,630)	(148,659)
Other Income and Impairment attributable to non-controlling interests	(4,633)	(6,329)	(17,088)	(24,430)
Change in fair value of investments in mortgage servicing rights	(44,192)	11,518	(226,617)	(77,465)
(Gain) loss on settlement of mortgage loan origination derivative instruments	2,757	—	2,757	—
Non-capitalized transaction-related expenses	5,274	6,467	18,784	14,397
Incentive compensation to affiliate	23,848	19,491	65,169	72,123
Deferred taxes	(1,865)	28,410	(12,680)	114,016
Interest income on residential mortgage loans, held-for-sale	5,906	4,603	12,774	12,069
Limit on RMBS discount accretion related to called deals	(2,914)	(13,543)	(13,108)	(20,059)
Adjust consumer loans to level yield	(6,760)	(9,874)	(21,915)	(23,460)
Core earnings of equity method investees:				
Excess mortgage servicing rights	4,468	3,476	10,514	10,010
Core Earnings	$ 214,694	$ 199,290	$ 606,905	$ 671,890

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk is the exposure to loss resulting from changes in interest rates, credit spreads, foreign currency exchange rates, commodity prices, equity prices and other market based risks. The primary market risks that we are exposed to are interest rate risk, prepayment rate risk, credit spread risk and credit risk. These risks are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations and other factors beyond our control. All of our market risk sensitive assets, liabilities and derivative positions (other than TBAs) are for non-trading purposes only. For a further discussion of how market risk may affect our financial position or results of operations, please refer to "Management's Discussion and Analysis of Financial Condition and Results of Operations—Application of Critical Accounting Policies."

Interest Rate Risk

Changes in interest rates, including changes in expected interest rates or "yield curves," affect our investments in various ways, the most significant of which are discussed below.

Cash Flow Impact

Changes in interest rates affect our net interest income, which is the difference between the interest income earned on assets and the interest expense incurred in connection with our debt obligations and hedges.

We may use match funded structures, when appropriate and available. This means that we may seek to match the maturities of our debt obligations with the maturities of our assets to reduce the risk that we have to refinance our liabilities prior to the maturities of our assets, and to reduce the impact of changing interest rates on our earnings. In addition, we may seek to match fund interest rates on our assets with like-kind debt (i.e., fixed rate assets are financed with fixed rate debt and floating rate assets are financed with floating rate debt), directly or through the use of interest rate swaps, caps or other financial instruments (see below), or through a combination of these strategies, which we believe allows us to reduce the impact of changing interest rates on our earnings.

However, increases or decreases in interest rates can nonetheless reduce our net interest income to the extent that we are not completely match funded. Furthermore, a period of changing interest rates can negatively impact our return on certain floating rate investments. Although these investments may be financed with floating rate debt, the interest rate on the debt may reset prior or subsequent to, and in some cases more or less frequently than, the interest rate on the assets, causing a decrease in return on equity during a period of changing interest rates. See further disclosure regarding our Agency RMBS under "Management's Discussion and Analysis of Financial Condition and Results of Operations—Our Portfolio—Real Estate Securities—Agency RMBS" for information about certain reset terms and "Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Debt Obligations" for information about related debt.

We are exposed to fluctuations in forward LIBOR rates across our portfolio. For our Servicer Advance Investments (including the basic fee component of the related MSRs), forward LIBOR rates have a direct impact on current period income recognition. Performance-based incentive fees paid to both Nationstar and Ocwen as part of our MSR purchase agreements are impacted by changes in LIBOR. Ocwen's performance-based incentive fee is reduced by a LIBOR-based factor if the advance ratio exceeds a predetermined level for that month. Shifts upward in projected LIBOR will increase any projected reduction in Ocwen's incentive fee, thus increasing our share of the servicing fee. Conversely, shifts downward in projected LIBOR will decrease the projected reduction in Ocwen's incentive fee, thus decreasing our share of the servicing fee. Nationstar's performance-based incentive fee is based on our target equity return. Changes in LIBOR may impact Nationstar's ability to reach our target return. Shifts downward in projected LIBOR will decrease our projected cost of borrowings thus decreasing the share of the servicing fee we need to receive in order to obtain our target return. Conversely, shifts upward in projected LIBOR will increase our projected cost of borrowings thus increasing the share of the servicing fee we need to receive in order to obtain our target return.

We have elected to record our Servicer Advance Investments, including the right to the basic fee component of the related MSRs, at fair value. Therefore, any changes to our projected payments to/from our related servicers can impact the estimated future cash flows used to value the investments and the unrealized gains/losses on the investment. Changes to estimated future cash flows will also impact interest income recognized in the current period. We may project net cash flow increases in connection with decreases in projected LIBOR as a result of estimated savings on our future cost of borrowings outweighing estimated reductions of future retained servicing fees. However, only the asset impact would be reflected in our current period income statement.

As of September 30, 2018, an immediate 50 basis point increase in short term interest rates, based on a shift in the yield curve, would decrease our cash flows by approximately $14.4 million in the next 12 months, whereas a 50 basis point decrease in short term interest rates would increase our cash flows by approximately $14.4 million in the next 12 months, based solely on our current

net floating rate exposure and assuming a static portfolio of investments (including fixed rate repurchase agreements that mature within 60 days of September 30, 2018 and assuming a LIBOR floor of 0.0%).

Other Impacts

Changes in the level of interest rates also affect the yields required by the marketplace on interest rate instruments. Increasing interest rates would decrease the value of the fixed rate assets we hold at the time because higher required yields result in lower prices on existing fixed rate assets in order to adjust their yield upward to meet the market.

Changes in unrealized gains or losses resulting from changes in market interest rates do not directly affect our cash flows, or our ability to pay a dividend, to the extent the related assets are expected to be held and continue to perform as expected, as their fair value is not relevant to their underlying cash flows. Changes in unrealized gains or losses would impact our ability to realize gains on existing investments if they were sold. Furthermore, with respect to changes in unrealized gains or losses on investments which are carried at fair value, changes in unrealized gains or losses would impact our net book value and, in certain cases, our net income.

Changes in interest rates can also have ancillary impacts on our investments. Generally, in a declining interest rate environment, residential mortgage loan prepayment rates increase which in turn would cause the value of MSRs, mortgage servicing rights financing receivables, Excess MSRs and the rights to the basic fee components of MSRs to decrease, because the duration of the cash flows we are entitled to receive becomes shortened, and the value of loans and Non-Agency RMBS to increase, because we generally acquired these investments at a discount whose recovery would be accelerated. With respect to a significant portion of our investments in MSRs and Excess MSRs, we have recapture agreements, as described in Notes 4 and 5 to our Consolidated Financial Statements. These recapture agreements help to protect these investments from the impact of increasing prepayment rates. In addition, to the extent that the loans underlying our investments in MSRs, mortgage servicing rights financing receivables, Excess MSRs and the rights to the basic fee components of MSRs are well-seasoned with credit-impaired borrowers who may have limited refinancing options, we believe the impact of interest rates on prepayments would be reduced. Conversely, in an increasing interest rate environment, prepayment rates decrease which in turn would cause the value of MSRs, mortgage servicing rights financing receivables, Excess MSRs and the rights to the basic fee components of MSRs to increase and the value of loans and Non-Agency RMBS to decrease. To the extent we do not hedge against changes in interest rates, our balance sheet, results of operations and cash flows would be susceptible to significant volatility due to changes in the fair value of, or cash flows from, our investments as interest rates change. However, rising interest rates could result from more robust market conditions, which could reduce the credit risk associated with our investments. The effects of such a decrease in values on our financial position, results of operations and liquidity are discussed below under "—Prepayment Rate Exposure."

Changes in the value of our assets could affect our ability to borrow and access capital. Also, if the value of our assets subject to short-term financing were to decline, it could cause us to fund margin, or repay debt, and affect our ability to refinance such assets upon the maturity of the related financings, adversely impacting our rate of return on such investments.

We are subject to margin calls on our repurchase agreements. Furthermore, we may, from time to time, be a party to derivative agreements or financing arrangements that are subject to margin calls, or mandatory repayment, based on the value of such instruments. We seek to maintain adequate cash reserves and other sources of available liquidity to meet any margin calls, or required repayments, resulting from decreases in value related to a reasonably possible (in our opinion) change in interest rates but there can be no assurance that our cash reserves will be sufficient.

In addition, changes in interest rates may impact our ability to exercise our call rights and to realize or maximize potential profits from them. A significant portion of the residential mortgage loans underlying our call rights bear fixed rates and may decline in value during a period of rising market interest rates. Furthermore, rising rates could cause prepayment rates on these loans to decline, which would delay our ability to exercise our call rights. These impacts could be at least partially offset by potential declines in the value of Non-Agency RMBS related to the call rights, which could then be acquired more cheaply, and in credit spreads, which could offset the impact of rising market interest rates on the value of fixed rate loans to some degree. Conversely, declining interest rates could increase the value of our call rights by increasing the value of the underlying loans.

We believe our consumer loan investments generally have limited interest rate sensitivity given that our portfolio is mostly composed of very seasoned loans with credit-impaired borrowers who are paying fixed rates, who we believe are relatively unlikely to change their prepayment patterns based on changes in interest rates.

As of September 30, 2018, an immediate 50 basis point increase in short term interest rates, based on a shift in the yield curve, would increase our net book value by approximately $399.1 million, whereas a 50 basis point decrease in short term interest rates would decrease our net book value by approximately $318.3 million, based on the present value of estimated cash flows on a static

portfolio of investments. This does not include changes in our book value resulting from potential related changes in discount rates; refer to "—Credit Spread Risk" below.

Interest rates are highly sensitive to many factors, including fiscal and monetary policies and domestic and international economic and political considerations, as well as other factors beyond our control.

A further discussion on the sensitivity of our book value to changes in yields required by the marketplace on interest bearing investments is included below under "—Credit Spread Risk."

Prepayment Rate Exposure

Prepayment rates significantly affect the value of MSRs, mortgage servicing rights financing receivables, Excess MSRs, the basic fee component of MSRs (which we own as part of our Servicer Advance Investments), Non-Agency RMBS and loans, including consumer loans. Prepayment rate is the measurement of how quickly borrowers pay down the UPB of their loans or how quickly loans are otherwise brought current, modified, liquidated or charged off. The price we pay to acquire certain investments will be based on, among other things, our projection of the cash flows from the related pool of loans. Our expectation of prepayment rates is a significant assumption underlying those cash flow projections. If the fair value of MSRs, mortgage servicing rights financing receivables, Excess MSRs or the basic fee component of MSRs decreases, we would be required to record a non-cash charge, which would have a negative impact on our financial results. Furthermore, a significant increase in prepayment rates could materially reduce the ultimate cash flows we receive from MSRs, mortgage servicing rights financing receivables, Excess MSRs or our right to the basic fee component of MSRs, and we could ultimately receive substantially less than what we paid for such assets. Conversely, a significant decrease in prepayment rates with respect to our loans or RMBS could delay our expected cash flows and reduce the yield on these investments.

We seek to reduce our exposure to prepayment through the structuring of our investments. For example, in our MSR and Excess MSR investments, we seek to enter into "recapture agreements" whereby our MSR or Excess MSR is retained if the applicable servicer or subservicer originates a new loan the proceeds of which are used to repay a loan underlying an MSR or Excess MSR in our portfolio. We seek to enter into such recapture agreements in order to protect our returns in the event of a rise in voluntary prepayment rates.

Please refer to the table in "Management's Discussion and Analysis of Financial Condition and Results of Operations—Application of Critical Accounting Policies—Excess MSRs" for an analysis of the sensitivity of these investments to changes in certain market factors.

Credit Spread Risk

Credit spreads measure the yield demanded on financial instruments by the market based on their credit relative to U.S. Treasuries, for fixed rate credit, or LIBOR, for floating rate credit. Excessive supply of such financial instruments combined with reduced demand will generally cause the market to require a higher yield on such financial instruments, resulting in the use of a higher (or "wider") spread over the benchmark rate to value them.

Widening credit spreads would result in higher yields being required by the marketplace on financial instruments. This widening would reduce the value of the financial instruments we hold at the time because higher required yields result in lower prices on existing financial instruments in order to adjust their yield upward to meet the market. The effects of such a decrease in values on our financial position, results of operations and liquidity are discussed above under "—Interest Rate Risk."

As of September 30, 2018, a 25 basis point increase in credit spreads would decrease our net book value by approximately $198.4 million, and a 25 basis point decrease in credit spreads would increase our net book value by approximately $212.3 million, based on a static portfolio of investments, but would not directly affect our earnings or cash flow.

In an environment where spreads are tightening, if spreads tighten on the assets we purchase to a greater degree than they tighten on the liabilities we issue, our net spread will be reduced.

Credit Risk

We are subject to varying degrees of credit risk in connection with our assets. Credit risk refers to the ability of each individual borrower underlying our investments in MSRs, mortgage servicing rights financing receivables, Excess MSRs, Servicer Advance Investments, securities and loans to make required interest and principal payments on the scheduled due dates. If delinquencies increase, then the amount of servicer advances we are required to make will also increase, as would our financing cost thereof.

We may also invest in loans and Non-Agency RMBS which represent “first loss” pieces; in other words, they do not benefit from credit support although we believe they predominantly benefit from underlying collateral value in excess of their carrying amounts. Although we do not expect to encounter credit risk in our Agency RMBS, we do anticipate credit risk related to Non-Agency RMBS, residential mortgage loans and consumer loans.

We seek to reduce credit risk through prudent asset selection, actively monitoring our asset portfolio and the underlying credit quality of our holdings and, where appropriate and achievable, repositioning our investments to upgrade their credit quality. Our pre-acquisition due diligence and processes for monitoring performance include the evaluation of, among other things, credit and risk ratings, principal subordination, prepayment rates, delinquency and default rates, and vintage of collateral.

For our MSRs, mortgage servicing rights financing receivables, and Excess MSRs on Agency collateral and our Agency RMBS, delinquency and default rates have an effect similar to prepayment rates. Our Excess MSRs on Non-Agency portfolios are not directly affected by delinquency rates because the servicer continues to advance principal and interest until a default occurs on the applicable loan, so delinquencies decrease prepayments therefore having a positive impact on fair value, while increased defaults have an effect similar to increased prepayments. For our Non-Agency RMBS and loans, higher default rates can lead to greater loss of principal. For our call rights, higher delinquencies and defaults could reduce the value of the underlying loans, therefore reducing or eliminating the related potential profit.

Market factors that could influence the degree of the impact of credit risk on our investments include (i) unemployment and the general economy, which impact borrowers’ ability to make payments on their loans, (ii) home prices, which impact the value of collateral underlying residential mortgage loans, (iii) the availability of credit, which impacts borrowers’ ability to refinance, and (iv) other factors, all of which are beyond our control.

Liquidity Risk

The assets that comprise our asset portfolio are generally not publicly traded. A portion of these assets may be subject to legal and other restrictions on resale or otherwise be less liquid than publicly-traded securities. The illiquidity of our assets may make it difficult for us to sell such assets if the need or desire arises, including in response to changes in economic and other conditions.

Investment Specific Sensitivity Analyses

Excess MSRs

The following table summarizes the estimated change in fair value of our interests in the Agency Excess MSRs owned directly as of September 30, 2018 given several parallel shifts in the discount rate, prepayment rate, delinquency rate and recapture rate (dollars in thousands):

Fair value at September 30, 2018	$ 273,876			
Discount rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 296,624	$ 284,790	$ 263,796	$ 254,452
Change in estimated fair value:				
Amount	$ 22,748	$ 10,914	$ (10,080)	$ (19,424)
%	8.3 %	4.0 %	(3.7)%	(7.1)%
Prepayment rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 293,836	$ 283,640	$ 264,541	$ 255,606
Change in estimated fair value:				
Amount	$ 19,960	$ 9,764	$ (9,335)	$ (18,270)
%	7.3 %	3.6 %	(3.4)%	(6.7)%
Delinquency rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 276,057	$ 274,969	$ 272,791	$ 271,702
Change in estimated fair value:				
Amount	$ 2,181	$ 1,093	$ (1,085)	$ (2,174)
%	0.8 %	0.4 %	(0.4)%	(0.8)%
Recapture rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 267,164	$ 270,490	$ 277,336	$ 280,861
Change in estimated fair value:				
Amount	$ (6,712)	$ (3,386)	$ 3,460	$ 6,985
%	(2.5)%	(1.2)%	1.3 %	2.6 %

The following table summarizes the estimated change in fair value of our interests in the Non-Agency Excess MSRs owned directly as of September 30, 2018 given several parallel shifts in the discount rate, prepayment rate, delinquency rate and recapture rate (dollars in thousands):

Fair value at September 30, 2018	$ 193,185			
Discount rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 209,019	$ 200,631	$ 185,745	$ 179,117
Change in estimated fair value:				
Amount	$ 15,834	$ 7,446	$ (7,440)	$ (14,068)
%	8.2 %	3.9 %	(3.9)%	(7.3)%
Prepayment rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 211,351	$ 201,812	$ 184,451	$ 176,547
Change in estimated fair value:				
Amount	$ 18,166	$ 8,627	$ (8,734)	$ (16,638)
%	9.4 %	4.5 %	(4.5)%	(8.6)%
Delinquency rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 193,041	$ 193,041	$ 193,041	$ 193,041
Change in estimated fair value:				
Amount	$ (144)	$ (144)	$ (144)	$ (144)
%	(0.1)%	(0.1)%	(0.1)%	(0.1)%
Recapture rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 188,910	$ 190,869	$ 195,027	$ 197,083
Change in estimated fair value:				
Amount	$ (4,275)	$ (2,316)	$ 1,842	$ 3,898
%	(2.2)%	(1.2)%	1.0 %	2.0 %

The following table summarizes the estimated change in fair value of our interests in the Agency Excess MSRs owned through equity method investees as of September 30, 2018 given several parallel shifts in the discount rate, prepayment rate, delinquency rate and recapture rate (dollars in thousands):

Fair value at September 30, 2018	$ 154,939			
Discount rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 166,863	$ 160,657	$ 149,657	$ 144,767
Change in estimated fair value:				
Amount	$ 11,924	$ 5,718	$ (5,282)	$ (10,172)
%	7.7 %	3.7 %	(3.4)%	(6.6)%
Prepayment rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 164,993	$ 159,862	$ 150,217	$ 145,691
Change in estimated fair value:				
Amount	$ 10,054	$ 4,923	$ (4,722)	$ (9,248)
%	6.5 %	3.2 %	(3.0)%	(6.0)%
Delinquency rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 156,618	$ 155,778	$ 154,099	$ 153,260
Change in estimated fair value:				
Amount	$ 1,679	$ 839	$ (840)	$ (1,679)
%	1.1 %	0.5 %	(0.5)%	(1.1)%
Recapture rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 150,634	$ 152,762	$ 157,166	$ 159,445
Change in estimated fair value:				
Amount	$ (4,305)	$ (2,177)	$ 2,227	$ 4,506
%	(2.8)%	(1.4)%	1.4 %	2.9 %

MSRs

The following table summarizes the estimated change in fair value of our interests in the Agency MSRs, including mortgage servicing rights financing receivables, owned as of September 30, 2018 given several parallel shifts in the discount rate, prepayment rate, delinquency rate and recapture rate (dollars in thousands):

Fair value at September 30, 2018	$ 2,947,347			
Discount rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 3,197,080	$ 3,071,181	$ 2,846,910	$ 2,746,701
Change in estimated fair value:				
Amount	$ 249,733	$ 123,834	$ (100,437)	$ (200,646)
%	8.5 %	4.2 %	(3.4)%	(6.8)%
Prepayment rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 3,142,037	$ 3,046,548	$ 2,866,656	$ 2,782,054
Change in estimated fair value:				
Amount	$ 194,690	$ 99,201	$ (80,691)	$ (165,293)
%	6.6 %	3.4 %	(2.7)%	(5.6)%
Delinquency rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 2,980,432	$ 2,967,608	$ 2,941,962	$ 2,929,139
Change in estimated fair value:				
Amount	$ 33,085	$ 20,261	$ (5,385)	$ (18,208)
%	1.1 %	0.7 %	(0.2)%	(0.6)%
Recapture rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 2,883,445	$ 2,919,115	$ 2,990,454	$ 3,026,124
Change in estimated fair value:				
Amount	$ (63,902)	$ (28,232)	$ 43,107	$ 78,777
%	(2.2)%	(1.0)%	1.5 %	2.7 %

The following table summarizes the estimated change in fair value of our interests in the Non-Agency MSRs, including mortgage servicing rights financing receivables, owned as of September 30, 2018 given several parallel shifts in the discount rate, prepayment rate, delinquency rate and recapture rate (dollars in thousands):

Fair value at September 30, 2018	$ 1,234,014			
Discount rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 1,358,062	$ 1,293,536	$ 1,181,504	$ 1,132,639
Change in estimated fair value:				
Amount	$ 124,048	$ 59,522	$ (52,510)	$ (101,375)
%	10.1 %	4.8 %	(4.3)%	(8.2)%
Prepayment rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 1,326,050	$ 1,278,996	$ 1,193,596	$ 1,154,768
Change in estimated fair value:				
Amount	$ 92,036	$ 44,982	$ (40,418)	$ (79,246)
%	7.5 %	3.6 %	(3.3)%	(6.4)%
Delinquency rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 1,237,885	$ 1,236,406	$ 1,233,452	$ 1,231,976
Change in estimated fair value:				
Amount	$ 3,871	$ 2,392	$ (562)	$ (2,038)
%	0.3 %	0.2 %	— %	(0.2)%
Recapture rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 1,228,930	$ 1,231,929	$ 1,237,921	$ 1,240,923
Change in estimated fair value:				
Amount	$ (5,084)	$ (2,085)	$ 3,907	$ 6,909
%	(0.4)%	(0.2)%	0.3 %	0.6 %

The following table summarizes the estimated change in fair value of our interests in the Ginnie Mae MSRs, owned as of September 30, 2018 given several parallel shifts in the discount rate, prepayment rate, delinquency rate and recapture rate (dollars in thousands):

Fair value at September 30, 2018	$ 371,715			
Discount rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 405,914	$ 388,646	$ 358,469	$ 345,224
Change in estimated fair value:				
Amount	$ 34,199	$ 16,931	$ (13,246)	$ (26,491)
%	9.2 %	4.6 %	(3.6)%	(7.1)%
Prepayment rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 409,336	$ 390,494	$ 356,429	$ 341,016
Change in estimated fair value:				
Amount	$ 37,621	$ 18,779	$ (15,286)	$ (30,699)
%	10.1 %	5.1 %	(4.1)%	(8.3)%
Delinquency rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 379,574	$ 376,233	$ 369,551	$ 366,210
Change in estimated fair value:				
Amount	$ 7,859	$ 4,518	$ (2,164)	$ (5,505)
%	2.1 %	1.2 %	(0.6)%	(1.5)%
Recapture rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 361,990	$ 367,441	$ 378,343	$ 383,794
Change in estimated fair value:				
Amount	$ (9,725)	$ (4,274)	$ 6,628	$ 12,079
%	(2.6)%	(1.1)%	1.8 %	3.2 %

Each of the preceding sensitivity analyses is hypothetical and should be used with caution. In particular, the results are calculated by stressing a particular economic assumption independent of changes in any other assumption; in practice, changes in one factor may result in changes in another, which might counteract or amplify the sensitivities. Also, changes in the fair value based on a 10% variation in an assumption generally may not be extrapolated because the relationship of the change in the assumption to the change in fair value may not be linear.

ITEM 4. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

The Company's management, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this report. The Company's disclosure controls and procedures are designed to provide reasonable assurance that information is recorded, processed, summarized and reported accurately and on a timely basis. Based on such evaluation, the Company's Chief Executive Officer and Chief Financial Officer have concluded that, as of the end of such period, the Company's disclosure controls and procedures were effective.

Changes in Internal Control Over Financial Reporting

There have not been any changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter to which this report relates that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

We are or may become, from time to time, involved in various disputes, litigation and regulatory inquiry and investigation matters that arise in the ordinary course of business. Given the inherent unpredictability of these types of proceedings, it is possible that future adverse outcomes could have a material adverse effect on our business, financial position or results of operations.

New Residential is, from time to time, subject to inquiries by government entities. New Residential currently does not believe any of these inquiries would result in a material adverse effect on New Residential's business.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully read and consider the following risk factors and all other information contained in this report. If any of the following risks, as well as additional risks and uncertainties not currently known to us or that we currently deem immaterial, occur, our business, financial condition or results of operations could be materially and adversely affected. The risk factors summarized below are categorized as follows: (i) Risks Related to Our Business, (ii) Risks Related to Our Manager, (iii) Risks Related to the Financial Markets, (iv) Risks Related to Our Taxation as a REIT and (v) Risks Related to Our Common Stock. However, these categories do overlap and should not be considered exclusive.

Risks Related to Our Business

We may not be able to successfully operate our business strategy or generate sufficient revenue to make or sustain distributions to our stockholders.

We cannot assure you that we will be able to successfully operate our business or implement our operating policies and strategies. There can be no assurance that we will be able to generate sufficient returns to pay our operating expenses and make satisfactory distributions to our stockholders, or any distributions at all. Our results of operations and our ability to make or sustain distributions to our stockholders depend on several factors, including the availability of opportunities to acquire attractive assets, the level and volatility of interest rates, the availability of adequate short- and long-term financing, and conditions in the real estate market, the financial markets and economic conditions.

The value of our investments is based on various assumptions that could prove to be incorrect and could have a negative impact on our financial results.

When we make investments, we base the price we pay and, in some cases, the rate of amortization of those investments on, among other things, our projection of the cash flows from the related pool of loans. We generally record such investments on our balance sheet at fair value, and we measure their fair value on a recurring basis. Our projections of the cash flow from our investments, and the determination of the fair value thereof, are based on assumptions about various factors, including, but not limited to:

- rates of prepayment and repayment of the underlying loans;
- potential fluctuations in prevailing interest rates and credit spreads;
- rates of delinquencies and defaults, and related loss severities;
- costs of engaging a subservicer to service MSRs;
- market discount rates;
- in the case of MSRs and Excess MSRs, recapture rates; and
- in the case of Servicer Advance Investments and servicer advances receivable, the amount and timing of servicer advances and recoveries.

Our assumptions could differ materially from actual results. The use of different estimates or assumptions in connection with the valuation of these investments could produce materially different fair values for such investments, which could have a material adverse effect on our consolidated financial position and results of operations. The ultimate realization of the value of our investments may be materially different than the fair values of such investments as reflected in our Condensed Consolidated Financial Statements as of any particular date.

We refer to our MSRs, mortgage servicing rights financing receivables, Excess MSRs, and the base fee portion of the related MSRs included in our Servicer Advance Investments, collectively, as our interests in MSRs.

With respect to our investments in interests in MSRs, residential mortgage loans and consumer loans, and a portion of our RMBS, when the related loans are prepaid as a result of a refinancing or otherwise, the related cash flows payable to us will either, in the case of interest-only RMBS, and/or interests in MSRs, cease (unless, in the case of our interests in MSRs, the loans are recaptured upon a refinancing), or we will cease to receive interest income on such investments, as applicable. Borrowers under residential mortgage loans and consumer loans are generally permitted to prepay their loans at any time without penalty. Our expectation of prepayment rates is a significant assumption underlying our cash flow projections. Prepayment rate is the measurement of how quickly borrowers pay down the UPB of their loans or how quickly loans are otherwise brought current, modified, liquidated or charged off. A significant increase in prepayment rates could materially reduce the ultimate cash flows and/or interest income, as applicable, we receive from our investments, and we could ultimately receive substantially less than what we paid for such assets, decreasing the fair value of our investments. If the fair value of our investment portfolio decreases, we would generally be required to record a non-cash charge, which would have a negative impact on our financial results. Consequently, the price we pay to acquire our investments may prove to be too high if there is a significant increase in prepayment rates.

The values of our investments are highly sensitive to changes in interest rates. Historically, the value of MSRs, which underpin the value of our investments, including interests in MSRs, has increased when interest rates rise and decreased when interest rates decline due to the effect of changes in interest rates on prepayment rates. Prepayment rates could increase as a result of a general economic recovery or other factors, which would reduce the value of our interests in MSRs.

Moreover, delinquency rates have a significant impact on the value of our investments. When the UPB of mortgage loans cease to be a part of the aggregate UPB of the serviced loan pool (for example, when delinquent loans are foreclosed on or repurchased, or otherwise sold, from a securitized pool), the related cash flows payable to us, as the holder of an interest in the related MSR, cease. An increase in delinquencies will generally result in lower revenue because typically we will only collect on our interests in MSRs from GSEs or mortgage owners for performing loans. An increase in delinquencies with respect to the loans underlying our servicer advances could also result in a higher advance balance and the need to obtain additional financing, which we may not be able to do on favorable terms or at all. Additionally, in the case of residential mortgage loans, consumer loans and RMBS that we own, an increase in foreclosures could result in an acceleration of repayments, resulting in a decrease in interest income. Alternatively, increases in delinquencies and defaults could also adversely affect our investments in RMBS, residential mortgage loans and/or consumer loans if and to the extent that losses are suffered on residential mortgage loans, consumer loans or, in the case of RMBS, the residential mortgage loans underlying such RMBS. Accordingly, if delinquencies are significantly greater than expected, the estimated fair value of these investments could be diminished. As a result, we could suffer a loss, which would have a negative impact on our financial results.

We are party to several “recapture agreements” whereby our MSR or Excess MSR is retained if the applicable Servicing Partner originates a new loan the proceeds of which are used to repay a loan underlying an MSR or Excess MSR in our portfolio. We believe that such agreements will mitigate the impact on our returns in the event of a rise in voluntary prepayment rates, with respect to investments where we have such agreements. There are no assurances, however, that counterparties will enter into such arrangements with us in connection with any future investment in MSRs or Excess MSRs. We are not party to any such arrangements with respect to any of our investments other than MSRs and Excess MSRs.

If the applicable Servicing Partner does not meet anticipated recapture targets, the servicing cash flow on a given pool could be significantly lower than projected, which could have a material adverse effect on the value of our MSRs or Excess MSRs and consequently on our business, financial condition, results of operations and cash flows. Our recapture target for our current recapture agreements is stated in the table in Note 12 to our Condensed Consolidated Financial Statements.

Servicer advances may not be recoverable or may take longer to recover than we expect, which could cause us to fail to achieve our targeted return on our Servicer Advance Investments or MSRs.

NRM is generally required to make servicer advances related to the pools of loans for which it is the named servicer. In addition, we have agreed (in the case of Nationstar, together with certain third-party investors) to purchase from certain of the servicers and subservicers that we engage, which we refer to as our “Servicing Partners,” all servicer advances related to certain loan pools, as a result of which we are entitled to amounts representing repayment for such advances. During any period in which a borrower is not making payments, a servicer is generally required under the applicable servicing agreement to advance its own funds to cover the principal and interest remittances due to investors in the loans, pay property taxes and insurance premiums to third parties, and to make payments for legal expenses and other protective advances. The servicer also advances funds to maintain, repair and market real estate properties on behalf of investors in the loans.

Repayment of servicer advances and payment of deferred servicing fees are generally made from late payments and other collections and recoveries on the related residential mortgage loan (including liquidation, insurance and condemnation proceeds) or, if the related servicing agreement provides for a “general collections backstop,” from collections on other residential mortgage loans

to which such servicing agreement relates. The rate and timing of payments on servicer advances and deferred servicing fees are unpredictable for several reasons, including the following:

- payments on the servicer advances and the deferred servicing fees depend on the source of repayment, and whether and when the related servicer receives such payment (certain servicer advances are reimbursable only out of late payments and other collections and recoveries on the related residential mortgage loan, while others are also reimbursable out of principal and interest collections with respect to all residential mortgage loans serviced under the related servicing agreement, and as a consequence, the timing of such reimbursement is highly uncertain);
- the length of time necessary to obtain liquidation proceeds may be affected by conditions in the real estate market or the financial markets generally, the availability of financing for the acquisition of the real estate and other factors, including, but not limited to, government intervention;
- the length of time necessary to effect a foreclosure may be affected by variations in the laws of the particular jurisdiction in which the related mortgaged property is located, including whether or not foreclosure requires judicial action;
- the requirements for judicial actions for foreclosure (which can result in substantial delays in reimbursement of servicer advances and payment of deferred servicing fees), which vary from time to time as a result of changes in applicable state law; and
- the ability of the related servicer to sell delinquent residential mortgage loans to third parties prior to a sale of the underlying real estate, resulting in the early reimbursement of outstanding unreimbursed servicer advances in respect of such residential mortgage loans.

As home values change, the servicer may have to reconsider certain of the assumptions underlying its decisions to make advances. In certain situations, its contractual obligations may require the servicer to make certain advances for which it may not be reimbursed. In addition, when a residential mortgage loan defaults or becomes delinquent, the repayment of the advance may be delayed until the residential mortgage loan is repaid or refinanced, or a liquidation occurs. To the extent that one of our Servicing Partners fails to recover the servicer advances in which we have invested, or takes longer than we expect to recover such advances, the value of our investment could be adversely affected and we could fail to achieve our expected return and suffer losses.

Servicing agreements related to residential mortgage securitization transactions generally require a residential mortgage servicer to make servicer advances in respect of serviced residential mortgage loans unless the servicer determines in good faith that the servicer advance would not be ultimately recoverable from the proceeds of the related residential mortgage loan, mortgaged property or mortgagor. In many cases, if the servicer determines that a servicer advance previously made would not be recoverable from these sources, the servicer is entitled to withdraw funds from the related custodial account in respect of payments on the related pool of serviced mortgages to reimburse the related servicer advance. This is what is often referred to as a "general collections backstop." The timing of when a servicer may utilize a general collections backstop can vary (some contracts require actual liquidation of the related loan first, while others do not), and contracts vary in terms of the types of servicer advances for which reimbursement from a general collections backstop is available. Accordingly, a servicer may not ultimately be reimbursed if both (i) the payments from related loan, property or mortgagor payments are insufficient for reimbursement, and (ii) a general collections backstop is not available or is insufficient. Also, if a servicer improperly makes a servicer advance, it would not be entitled to reimbursement. While we do not expect recovery rates to vary materially during the term of our investments, there can be no assurance regarding future recovery rates related to our portfolio.

We rely heavily on our Servicing Partners to achieve our investment objective and have no direct ability to influence their performance.

The value of substantially all of our investments is dependent on the satisfactory performance of servicing obligations by the related mortgage servicer or subservicer, as applicable. The duties and obligations of mortgage servicers are defined through contractual agreements, generally referred to as Servicing Guides in the case of GSEs, the MBS Guide in the case of Ginnie Mae or pooling agreements, securitization servicing agreements, pooling and servicing agreements or other similar agreements (collectively, "PSAs") in the case of Non-Agency RMBS (collectively, the "Servicing Guidelines"). The duties of the subservicers we engage to service the loans underlying our MSRs are contained in subservicing agreements with our subservicers. The duties of a subservicer under a subservicing agreement may not be identical to the obligations of the servicer under Servicing Guidelines. Our interests in MSRs are subject to all of the terms and conditions of the applicable Servicing Guidelines. Servicing Guidelines generally provide for the possibility of termination of the contractual rights of the servicer in the absolute discretion of the owner of the mortgages being serviced (or the required bondholders in the case of Non-Agency RMBS). Under the Agency Servicing Guidelines, the servicer may be terminated by the applicable Agency for any reason, "with" or "without" cause, for all or any portion of the loans being serviced for such Agency. In the event mortgage owners (or bondholders) terminate the servicer (regardless of whether such servicer is a subsidiary of New Residential or one of its subservicers), the related interests in MSRs would under most circumstances lose all value on a going forward basis. If the servicer is terminated as servicer for any Agency pools, the servicer's right to service the related mortgage loans will be extinguished and our interests in related MSRs will likely lose all of

their value. Any recovery in such circumstances, in the case of Non-Agency RMBS, will be highly conditioned and may require, among other things, a new servicer willing to pay for the right to service the applicable residential mortgage loans while assuming responsibility for the origination and prior servicing of the residential mortgage loans. In addition, in the case of Agency MSRs, any payment received from a successor servicer will be applied first to pay the applicable Agency for all of its claims and costs, including claims and costs against the servicer that do not relate to the residential mortgage loans for which we own interests in the MSRs. A termination could also result in an event of default under our related financings. It is expected that any termination of a servicer by mortgage owners (or bondholders) would take effect across all mortgages of such mortgage owners (or bondholders) and would not be limited to a particular vintage or other subset of mortgages. Therefore, it is possible that all investments with a given servicer would lose all their value in the event mortgage owners (or bondholders) terminate such servicer. See "—We have significant counterparty concentration risk in certain of our Servicing Partners, and are subject to other counterparty concentration and default risks." As a result, we could be materially and adversely affected if one of our Servicing Partners is unable to adequately carry out its duties as a result of:

- its failure to comply with applicable laws and regulations;
- its failure to comply with contractual and financing obligations and covenants;
- a downgrade in, or failure to maintain, any of its servicer ratings;
- its failure to maintain sufficient liquidity or access to sources of liquidity;
- its failure to perform its loss mitigation obligations;
- its failure to perform adequately in its external audits;
- a failure in or poor performance of its operational systems or infrastructure;
- regulatory or legal scrutiny or regulatory actions regarding any aspect of a servicer's operations, including, but not limited to, servicing practices and foreclosure processes lengthening foreclosure timelines;
- an Agency's or a whole-loan owner's transfer of servicing to another party; or
- any other reason.

In the ordinary course of business, our Servicing Partners are subject to numerous legal proceedings, federal, state or local governmental examinations, investigations or enforcement actions which could adversely affect their reputation and their liquidity, financial position and results of operations. Mortgage servicers, including certain of our Servicing Partners, have experienced heightened regulatory scrutiny and enforcement actions, and our Servicing Partners could be adversely affected by the market's perception that they could experience, or continue to experience, regulatory issues. See "—Certain of our Servicing Partners have been and are subject to federal and state regulatory matters and other litigation, which may adversely impact us." In light of recent regulatory actions against Ocwen, we cannot assure you that Ocwen will not be removed as servicer by the Agencies or by bondholders, which could have a material adverse effect on our interests in MSRs serviced or subserviced by Ocwen.

Loss mitigation techniques are intended to reduce the probability that borrowers will default on their loans and to minimize losses when defaults occur, and they may include the modification of mortgage loan rates, principal balances and maturities. If any of our Servicing Partners fail to adequately perform their loss mitigation obligations, we could be required to make or purchase, as applicable, servicer advances in excess of those that we might otherwise have had to make or purchase, and the time period for collecting servicer advances may extend. Any increase in servicer advances or material increase in the time to resolution of a defaulted loan could result in increased capital requirements and financing costs for us and our co-investors and could adversely affect our liquidity and net income. In the event that one of our servicers from which we are obligated to purchase servicer advances is required by the applicable Servicing Guidelines to make advances in excess of amounts that we or, in the case of Nationstar, the co-investors, are willing or able to fund, such servicer may not be able to fund these advance requests, which could result in a termination event under the applicable Servicing Guidelines, an event of default under our advance facilities and a breach of our purchase agreement with such servicer. As a result, we could experience a partial or total loss of the value of our Servicer Advance Investments.

MSRs and servicer advances are subject to numerous federal, state and local laws and regulations and may be subject to various judicial and administrative decisions. If the Servicing Partner actually or allegedly failed to comply with applicable laws, rules or regulations, it could be terminated as the servicer, and could lead to civil and criminal liability, loss of licensing, damage to our reputation and litigation, which could have a material adverse effect on our business, financial condition, results of operations or cash flows. In addition, servicer advances that are improperly made may not be eligible for financing under our facilities and may not be reimbursable by the related securitization trust or other owner of the residential mortgage loan, which could cause us to suffer losses.

Favorable servicer ratings from third-party rating agencies, such as S&P Global Ratings ("S&P"), Moody's Investors Service ("Moody's") and Fitch Ratings ("Fitch"), are important to the conduct of a mortgage servicer's loan servicing business, and a downgrade in a Servicing Partner's servicer ratings could have an adverse effect on the value of our interests in MSRs and result in an event of default under our financings. Downgrades in a Servicing Partner's servicer ratings could adversely affect our ability

to finance our assets and maintain their status as an approved servicer by Fannie Mae and Freddie Mac. Downgrades in servicer ratings could also lead to the early termination of existing advance facilities and affect the terms and availability of financing that a Servicing Partner or we may seek in the future. A Servicing Partner's failure to maintain favorable or specified ratings may cause their termination as a servicer and may impair their ability to consummate future servicing transactions, which could result in an event of default under our financing for servicer advances and have an adverse effect on the value of our investments because we will rely heavily on Servicing Partners to achieve our investment objectives and have no direct ability to influence their performance.

For additional information about the ways in which we may be affected by mortgage servicers, see "—The value of our interests in MSRs, servicer advances, residential mortgage loans and RMBS may be adversely affected by deficiencies in servicing and foreclosure practices, as well as related delays in the foreclosure process."

A number of lawsuits, including class-actions, have been filed against mortgage servicers alleging improper servicing in connection with residential non-agency mortgage securitizations. Investors in, and counterparties to, such securitizations may commence legal action against us and responding to such claims, and any related losses, could negatively impact our business.

A number of lawsuits, including class actions, have been filed against mortgage servicers alleging improper servicing in connection with residential non-agency mortgage securitizations. Investors in, and counterparties to, such securitizations may commence legal action against us and responding to such claims, and any related losses, could negatively impact our business. The number of counterparties on behalf of which we service loans significantly increases as the size of our non-agency MSR portfolio increases and we may become subject to claims and legal proceedings, including purported class-actions, in the ordinary course of our business, challenging whether our loan servicing practices and other aspects of our business comply with applicable laws, agreements and regulatory requirements. We are unable to predict whether any such claims will be made, the ultimate outcome of any such claims, the possible loss, if any, associated with the resolution of such claims or the potential impact any such claims may have on us or our business and operations. Regardless of the merit of any such claims or lawsuits, defending any claims or lawsuits may be time consuming and costly and we may be required to expend significant internal resources and incur material expenses, and management time may be diverted from other aspects of our business, in connection therewith. Further, if our efforts to defend any such claims or lawsuits are not successful, our business could be materially and adversely affected. As a result of investor and other counterparty claims, we could also suffer reputational damage and trustees, lenders and other counterparties could cease wanting to do business with us.

Certain of our Servicing Partners have been and are subject to federal and state regulatory matters and other litigation, which may adversely impact us.

Regulatory actions or legal proceedings against certain of our Servicing Partners could increase our financing costs or operating expenses, reduce our revenues or otherwise materially adversely affect our business, financial condition, results of operations and liquidity. Such Servicing Partners may be subject to additional federal and state regulatory matters in the future that could materially and adversely affect the value of our investments to the extent we rely on them to achieve our investment objectives because we have no direct ability to influence their performance. Certain of our Servicing Partners have disclosed certain matters in their periodic reports filed with the SEC, and there can be no assurance that such events will not have a material adverse effect on them. We are currently evaluating the impact of such events and cannot assure you what impact these events may have or what actions we may take under our agreements with the servicer. In addition, any of our Servicing Partners could be removed as servicer by the related loan owner or certain other transaction counterparties, which could have a material adverse effect on our interests in the loans and MSRs serviced by such Servicing Partner.

In addition, certain of our Servicing Partners have been and continue to be subject to regulatory and governmental examinations, information requests and subpoenas, inquiries, investigations and threatened legal actions and proceedings. In connection with formal and informal inquiries, such Servicing Partners may receive numerous requests, subpoenas and orders for documents, testimony and information in connection with various aspects of their activities, including whether certain of their residential loan servicing and originations practices, bankruptcy practices and other aspects of their business comply with applicable laws and regulatory requirements. Such Servicing Partners cannot provide any assurance as to the outcome of any of the aforementioned actions, proceedings or inquiries, or that such outcomes will not have a material adverse effect on their reputation, business, prospects, results of operations, liquidity or financial condition.

Completion of certain pending transactions related to MSRs (the "MSR Transactions") is subject to various closing conditions, involves significant costs, and we cannot assure you if, when or the terms on which such transactions will close. Failure to complete the pending MSR Transactions could adversely affect our future business and results of operations.

We have entered into an agreement for the purchase and sale of approximately $60.1 billion UPB of MSRs and related servicer advances from PHH Mortgage Corporation and its subsidiaries ("PHH") (the various aspects of such transaction, the "PHH Transaction"). Although we have completed a portion of the MSR transfers contemplated by the PHH Transaction, the completion of the pending portions of the PHH Transaction is subject to the satisfaction of closing conditions, consents of third parties and certain actions by rating agencies and we cannot assure you that such conditions will be satisfied or that such portions of the PHH Transaction will be successfully completed on their current terms, if at all. In the event that any portion of the PHH Transaction is not consummated, we will have spent considerable time and resources, and incurred substantial costs, many of which must be paid even if the PHH Transaction is not completed. The purchase settled in stages during 2017. As of September 30, 2018, MSRs, and related servicer advances receivables, with respect to private-label residential mortgage loans of approximately $3.7 billion in total UPB with a purchase price of approximately $21.0 million had not been settled.

In addition, we have entered into an agreement for Ocwen to transfer its remaining interests in $110.0 billion of UPB of non-Agency MSRs to NRM (the "Ocwen Subject MSRs"). We currently hold certain interests in the Ocwen Subject MSRs (including all servicer advances) pursuant to existing agreements with Ocwen. The transfer of Ocwen's interests in the Ocwen Subject MSRs is subject to numerous consents of third parties and certain actions by rating agencies. While certain of the Ocwen Subject MSRs have previously transferred to NRM, there is no assurance that we will be able to obtain such consents in order to transfer Ocwen's interests in the Ocwen Subject MSRs to NRM. We have spent considerable time and resources, and incurred substantial costs, in connection with the negotiation of such transaction and we will incur such costs even if the Ocwen Subject MSRs cannot be transferred to NRM. As of September 30, 2018, MSRs representing approximately $15.5 billion UPB of underlying loans have been transferred pursuant to the Ocwen Transaction. Economics related to the remaining MSRs subject to the Ocwen Transaction were transferred pursuant to the New Ocwen Agreements (Note 5 to the Condensed Consolidated Financial Statements).

We may be unable to become the named servicer in respect of certain Non-Agency MSRs because, among other potential reasons, we do not maintain any servicer ratings from rating agencies. If we are unable to become the named servicer in respect of any of the Ocwen Subject MSRs in accordance with the Ocwen Transaction, Ocwen has the right, in certain circumstances, to purchase from us our interests in the related MSRs. In such a situation, we will be required to sell Ocwen those assets (and will cease to receive income on those investments) and/or may be required to refinance certain indebtedness on terms that are not favorable to us.

Our ability to acquire MSRs may be subject to the approval of various third parties and such approvals may not be provided on a timely basis or at all, or may be subject to conditions, representations and warranties and indemnities.

Our ability to acquire MSRs may be subject to the approval of various third parties and such approvals may not be provided on a timely basis or at all, or may be conditioned upon our satisfaction of significant conditions which could require material expenditures and the provision of significant representations, warranties and indemnities. Such third parties may include the Agencies and the Federal Housing Finance Agency ("FHFA") with respect to agency MSRs, and securitization trustees, master servicers, depositors, rating agencies and insurers, among others, with respect to non-agency MSRs. The process of obtaining any such approvals required for a servicing transfer, especially with respect to non-agency MSRs, may be time consuming and costly and we may be required to expend significant internal resources and incur material expenses in connection with such transactions. Further, the parties from whom approval is necessary may require that we provide significant representations and warranties and broad indemnities as a condition to their consent, which such representations and warranties and indemnities, if given, may expose us to material risks in addition to those arising under the related servicing agreements. Consenting parties may also charge a material consent fee and may require that we reimburse them for the legal expenses they incur in connection with their approval of the servicing transfer, which such expenses may include costs relating to substantial contract due diligence and may be significant. No assurance can be given that we will be able to successfully obtain the consents required to acquire the MSRs that we have agreed to purchase.

We have significant counterparty concentration risk in certain of our Servicing Partners and are subject to other counterparty concentration and default risks.

We are not restricted from dealing with any particular counterparty or from concentrating any or all of our transactions with a few counterparties. Any loss suffered by us as a result of a counterparty defaulting, refusing to conduct business with us or imposing more onerous terms on us would also negatively affect our business, results of operations, cash flows and financial condition.

Our interests in MSRs relate to loans serviced or subserviced, as applicable, by our Servicing Partners. As disclosed in Notes 4, 5, and 6 of our Condensed Consolidated Financial Statements, certain of our Servicing Partners service and/or subservice a

substantial portion of our interests in MSRs. If any of these Servicing Partners is the named servicer of the related MSR and is terminated, its servicing performance deteriorates, or in the event that any of them files for bankruptcy, our expected returns on these investments could be severely impacted. In addition, a large portion of the loans underlying our Non-Agency RMBS are serviced by certain of our Servicing Partners. We closely monitor our Servicing Partners' mortgage servicing performance and overall operating performance, financial condition and liquidity, as well as their compliance with applicable regulations and Servicing Guidelines. We have various information, access and inspection rights in our agreements with these Servicing Partners that enable us to monitor aspects of their financial and operating performance and credit quality, which we periodically evaluate and discuss with their management. However, we have no direct ability to influence our Servicing Partners' performance, and our diligence cannot prevent, and may not even help us anticipate, the termination of any such Servicing Partners' servicing agreement or a severe deterioration of any of our Servicing Partners' servicing performance on our portfolio of interests in MSRs.

Furthermore, certain of our Servicing Partners are subject to numerous legal proceedings, federal, state or local governmental examinations, investigations or enforcement actions, which could adversely affect their operations, reputation and liquidity, financial position and results of operations. See "—Certain of our Servicing Partners have been and are subject to federal and state regulatory matters and other litigation, which may adversely impact us" for more information.

None of our Servicing Partners has an obligation to offer us any future co-investment opportunity on the same terms as prior transactions, or at all, and we may not be able to find suitable counterparties from which to acquire interests in MSRs, which could impact our business strategy. See "—We rely heavily on our Servicing Partners to achieve our investment objective and have no direct ability to influence their performance."

Repayment of the outstanding amount of servicer advances (including payment with respect to deferred servicing fees) may be subject to delay, reduction or set-off in the event that the related Servicing Partner breaches any of its obligations under the Servicing Guidelines, including, without limitation, any failure of such Servicing Partner to perform its servicing and advancing functions in accordance with the terms of such Servicing Guidelines. If any applicable Servicing Partner is terminated or resigns as servicer and the applicable successor servicer does not purchase all outstanding servicer advances at the time of transfer, collection of the servicer advances will be dependent on the performance of such successor servicer and, if applicable, reliance on such successor servicer's compliance with the "first-in, first-out" or "FIFO" provisions of the Servicing Guidelines. In addition, such successor servicers may not agree to purchase the outstanding advances on the same terms as our current purchase arrangements and may require, as a condition of their purchase, modification to such FIFO provisions, which could further delay our repayment and adversely affect the returns from our investment.

We are subject to substantial other operational risks associated with our Servicing Partners in connection with the financing of servicer advances. In our current financing facilities for servicer advances, the failure of our Servicing Partner to satisfy various covenants and tests can result in an amortization event and/or an event of default. We have no direct ability to control our Servicing Partners' compliance with those covenants and tests. Failure of our Servicing Partners to satisfy any such covenants or tests could result in a partial or total loss on our investment.

In addition, our Servicing Partners are party to our servicer advance financing agreements, with respect to those advances where they service or subservice the loans underlying the related MSRs. Our ability to obtain financing for these assets is dependent on our Servicing Partners' agreement to be a party to the related financing agreements. If our Servicing Partners do not agree to be a party to these financing agreements for any reason, we may not be able to obtain financing on favorable terms or at all. Our ability to obtain financing on such assets is dependent on our Servicing Partners' ability to satisfy various tests under such financing arrangements. Breaches and other events with respect to our Servicing Partners (which may include, without limitation, failure of a Servicing Partner to satisfy certain financial tests) could cause certain or all of the relevant servicer advance financing to become due and payable prior to maturity.

We are dependent on our Servicing Partners as the servicer or subservicer of the residential mortgage loans with respect to which we hold interests in MSRs, and their servicing practices may impact the value of certain of our assets. We may be adversely impacted:

- By regulatory actions taken against our Servicing Partners;
- By a default by one of our Servicing Partners under their debt agreements;
- By downgrades in our Servicing Partners' servicer ratings;
- If our Servicing Partners fail to ensure their servicer advances comply with the terms of their Pooling and Servicing Agreements ("PSAs");
- If our Servicing Partners were terminated as servicer under certain PSAs;
- If our Servicing Partners become subject to a bankruptcy proceeding; or

- If our Servicing Partners fail to meet their obligations or are deemed to be in default under the indenture governing notes issued under any servicer advance facility with respect to which such Servicing Partner is the servicer.

Our interests in MSRs relate to loans serviced or subserviced, as applicable, by our Servicing Partners. As disclosed in Notes 4, 5, and 6 of our Condensed Consolidated Financial Statements, certain of our Servicing Partners service and/or subservice a substantial portion of our interests in MSRs. In addition, Nationstar is currently the servicer for a significant portion of our loans, and the loans underlying our RMBS. If the servicing performance of one of our subservicers deteriorates, if one of our subservicers files for bankruptcy or if one of our subservicers is otherwise unwilling or unable to continue to subservice MSRs for us, our expected returns on these investments would be severely impacted. In addition, if a subservicer becomes subject to a regulatory consent order or similar enforcement proceeding, that regulatory action could adversely affect us in several ways. For example, the regulatory action could result in delays of transferring servicing from an interim subservicer to our designated successor subservicer or cause the subservicer's performance to degrade. Any such development would negatively affect our expected returns on these investments, and such effect could be materially adverse to our business and results of operations. We closely monitor each subservicer's mortgage servicing performance and overall operating performance, financial condition and liquidity, as well as its compliance with applicable regulations and GSE servicing guidelines. We have various information, access and inspection rights in our respective agreements with our subservicers that enable us to monitor their financial and operating performance and credit quality, which we periodically evaluate and discuss with each subservicer's respective management. However, we have no direct ability to influence each subservicer's performance, and our diligence cannot prevent, and may not even help us anticipate, a severe deterioration of each subservicer's respective servicing performance on our MSR portfolio.

In addition, a material portion of the consumer loans in which we have invested are serviced by OneMain. If OneMain is terminated as the servicer of some or all of these portfolios, or in the event that it files for bankruptcy or is otherwise unable to continue to service such loans, our expected returns on these investments could be severely impacted.

Moreover, we are party to repurchase agreements with a limited number of counterparties. If any of our counterparties elected not to roll our repurchase agreements, we may not be able to find a replacement counterparty, which would have a material adverse effect on our financial condition.

Our risk-management processes may not accurately anticipate the impact of market stress or counterparty financial condition, and as a result, we may not take sufficient action to reduce our risks effectively. Although we will monitor our credit exposures, default risk may arise from events or circumstances that are difficult to detect, foresee or evaluate. In addition, concerns about, or a default by, one large participant could lead to significant liquidity problems for other participants, which may in turn expose us to significant losses.

In the event of a counterparty default, particularly a default by a major investment bank or Servicing Partner, we could incur material losses rapidly, and the resulting market impact of a major counterparty default could seriously harm our business, results of operations, cash flows and financial condition. In the event that one of our counterparties becomes insolvent or files for bankruptcy, our ability to eventually recover any losses suffered as a result of that counterparty's default may be limited by the liquidity of the counterparty or the applicable legal regime governing the bankruptcy proceeding.

A bankruptcy of any of our Servicing Partners could materially and adversely affect us.

If any of our Servicing Partners becomes subject to a bankruptcy proceeding, we could be materially and adversely affected, and you could suffer losses, as discussed below.

A sale of MSRs or interests in MSRs and servicer advances or other assets, including loans, could be re-characterized as a pledge of such assets in a bankruptcy proceeding.

We believe that a mortgage servicer's transfer to us of MSRs or interests in MSRs and servicer advances or any other asset transferred pursuant to a related purchase agreement, including loans, constitutes a sale of such assets, in which case such assets would not be part of such servicer's bankruptcy estate. The servicer (as debtor-in-possession in the bankruptcy proceeding), a bankruptcy trustee appointed in such servicer's bankruptcy proceeding, or any other party in interest, however, might assert in a bankruptcy proceeding MSRs or interests in MSRs and servicer advances or any other assets transferred to us pursuant to the related purchase agreement were not sold to us but were instead pledged to us as security for such servicer's obligation to repay amounts paid by us to the servicer pursuant to the related purchase agreement. We generally create and perfect security interests with respect to the MSRs that we acquire, though we do not do so in all instances. If such assertion were successful, all or part of the MSRs or interests in MSRs and servicer advances or any other asset transferred to us pursuant to the related purchase agreement would constitute property of the bankruptcy estate of such servicer, and our rights against the servicer could be those of a secured creditor with a lien on such present and future assets. Under such circumstances, cash proceeds generated from our collateral

would constitute “cash collateral” under the provisions of the U.S. bankruptcy laws. Under U.S. bankruptcy laws, the servicer could not use our cash collateral without either (a) our consent or (b) approval by the bankruptcy court, subject to providing us with “adequate protection” under the U.S. bankruptcy laws. In addition, under such circumstances, an issue could arise as to whether certain of these assets generated after the commencement of the bankruptcy proceeding would constitute after-acquired property excluded from our entitlement pursuant to the U.S. bankruptcy laws.

If such a recharacterization occurs, the validity or priority of our security interest in the MSRs or interests in MSRs and servicer advances or other assets could be challenged in a bankruptcy proceeding of such servicer.

If the purchases pursuant to the related purchase agreement are recharacterized as secured financings as set forth above, we nevertheless created and perfected security interests with respect to the MSRs or interests in MSRs and servicer advances and other assets that we may have purchased from such servicer by including a pledge of collateral in the related purchase agreement and filing financing statements in appropriate jurisdictions. Nonetheless, to the extent we have created and perfected a security interest, our security interests may be challenged and ruled unenforceable, ineffective or subordinated by a bankruptcy court, and the amount of our claims may be disputed so as not to include all MSRs or interests in MSRs and servicer advances to be collected. If this were to occur, or if we have not created a security interest, then the servicer’s obligations to us with respect to purchased MSRs or interests in MSRs and servicer advances or other assets would be deemed unsecured obligations, payable from unencumbered assets to be shared among all of such servicer’s unsecured creditors. In addition, even if the security interests are found to be valid and enforceable, if a bankruptcy court determines that the value of the collateral is less than such servicer’s underlying obligations to us, the difference between such value and the total amount of such obligations will be deemed an unsecured “deficiency” claim and the same result will occur with respect to such unsecured claim. In addition, even if the security interest is found to be valid and enforceable, such servicer would have the right to use the proceeds of our collateral subject to either (a) our consent or (b) approval by the bankruptcy court, subject to providing us with “adequate protection” under U.S. bankruptcy laws. Such servicer also would have the ability to confirm a chapter 11 plan over our objections if the plan complied with the “cramdown” requirements under U.S. bankruptcy laws.

Payments made by a servicer to us could be voided by a court under federal or state preference laws.

If one of our Servicing Partners were to file, or to become the subject of, a bankruptcy proceeding under the United States Bankruptcy Code or similar state insolvency laws, and our security interest (if any) is declared unenforceable, ineffective or subordinated, payments previously made by a servicer to us pursuant to the related purchase agreement may be recoverable on behalf of the bankruptcy estate as preferential transfers. Among other reasons, a payment could constitute a preferential transfer if a court were to find that the payment was a transfer of an interest of property of such servicer that:

- Was made to or for the benefit of a creditor;
- Was for or on account of an antecedent debt owed by such servicer before that transfer was made;
- Was made while such servicer was insolvent (a company is presumed to have been insolvent on and during the 90 days preceding the date the company’s bankruptcy petition was filed);
- Was made on or within 90 days (or if we are determined to be a statutory insider, on or within one year) before such servicer’s bankruptcy filing;
- Permitted us to receive more than we would have received in a Chapter 7 liquidation case of such servicer under U.S. bankruptcy laws; and
- Was a payment as to which none of the statutory defenses to a preference action apply.

If the court were to determine that any payments were avoidable as preferential transfers, we would be required to return such payments to such servicer’s bankruptcy estate and would have an unsecured claim against such servicer with respect to such returned amounts.

Payments made to us by such servicer, or obligations incurred by it, could be voided by a court under federal or state fraudulent conveyance laws.

The mortgage servicer (as debtor-in-possession in the bankruptcy proceeding), a bankruptcy trustee appointed in such servicer’s bankruptcy proceeding, or another party in interest could also claim that such servicer’s transfer to us of MSRs or interests in MSRs and servicer advances or other assets or such servicer’s agreement to incur obligations to us under the related purchase agreement was a fraudulent conveyance. Under U.S. bankruptcy laws and similar state insolvency laws, transfers made or obligations incurred could be voided if, among other reasons, such servicer, at the time it made such transfers or incurred such obligations: (a) received less than reasonably equivalent value or fair consideration for such transfer or incurrence and (b) either (i) was insolvent at the time of, or was rendered insolvent by reason of, such transfer or incurrence; (ii) was engaged in, or was about to engage in, a business or transaction for which the assets remaining with such servicer were an unreasonably small capital;

or (iii) intended to incur, or believed that it would incur, debts beyond its ability to pay such debts as they mature. If any transfer or incurrence is determined to be a fraudulent conveyance, our Servicing Partner, as applicable (as debtor-in-possession in the bankruptcy proceeding), or a bankruptcy trustee on such Servicing Partner's behalf would be entitled to recover such transfer or to avoid the obligation previously incurred.

Any purchase agreement pursuant to which we purchase interests in MSRs, servicer advances or other assets, including loans, or any subservicing agreement between us and a subservicer on our behalf could be rejected in a bankruptcy proceeding of one of our Servicing Partners or counterparties.

A mortgage servicer (as debtor-in-possession in the bankruptcy proceeding) or a bankruptcy trustee appointed in such servicer's or counterparty's bankruptcy proceeding could seek to reject the related purchase agreement or subservicing agreement with a counterparty and thereby terminate such servicer's or counterparty's obligation to service the MSRs or interests in MSRs and servicer advances or any other asset transferred pursuant to such purchase agreement, and terminate our right to acquire additional assets under such purchase agreement and our right to require such servicer to use commercially reasonable efforts to transfer servicing. If the bankruptcy court approved the rejection, we would have a claim against such servicer or counterparty for any damages from the rejection, and the resulting transfer of our interests in MSRs or servicing of the MSRs relating to our Excess MSRs to another subservicer may result in significant cost and may negatively impact the value of our interests in MSRs.

A bankruptcy court could stay a transfer of servicing to another servicer.

Our ability to terminate a subservicer or to require a mortgage servicer to use commercially reasonable efforts to transfer servicing rights to a new servicer would be subject to the automatic stay in such servicer's bankruptcy proceeding. To enforce this right, we would have to seek relief from the bankruptcy court to lift such stay, and there is no assurance that the bankruptcy court would grant this relief.

Any Subservicing Agreement could be rejected in a bankruptcy proceeding.

If one of our Servicing Partners were to file, or to become the subject of, a bankruptcy proceeding under the United States Bankruptcy Code or similar state insolvency laws, such Servicing Partner (as debtor-in-possession in the bankruptcy proceeding) or the bankruptcy trustee could reject its subservicing agreement with us and terminate such Servicing Partner's obligation to service the MSRs, servicer advances or loans in which we have an investment. Any claim we have for damages arising from the rejection of a subservicing agreement would be treated as a general unsecured claim for purposes of distributions from such Servicing Partner's bankruptcy estate.

Our Servicing Partners could discontinue servicing.

If one of our Servicing Partners were to file, or to become the subject of, a bankruptcy proceeding under the United States Bankruptcy Code, such Servicing Partner could be terminated as servicer (with bankruptcy court approval) or could discontinue servicing, in which case there is no assurance that we would be able to continue receiving payments and transfers in respect of the interests in MSRs, servicer advances and other assets purchased under the related purchase agreement or subserviced under the related subservicing agreement. Even if we were able to obtain the servicing rights or terminate the related subservicer, we may need to engage an alternate subservicer (which may not be readily available on acceptable terms or at all) or negotiate a new subservicing agreement with such servicer, which presumably would be on less favorable terms to us. Any engagement of an alternate subservicer by us would require the approval of the related RMBS trustees or the Agencies, as applicable.

An automatic stay under the United States Bankruptcy Code may prevent the ongoing receipt of servicing fees or other amounts due.

Even if we are successful in arguing that we own the interests in MSRs, servicer advances and other assets, including loans, purchased under the related purchase agreement, we may need to seek relief in the bankruptcy court to obtain turnover and payment of amounts relating to such assets, and there may be difficulty in recovering payments in respect of such assets that may have been commingled with other funds of such servicer.

A bankruptcy of any of our Servicing Partners may default our MSR, Excess MSR and servicer advance financing facilities and negatively impact our ability to continue to purchase interests in MSRs.

If any of our Servicing Partners were to file for bankruptcy or become the subject of a bankruptcy proceeding, it could result in an event of default under certain of our financing facilities that would require the immediate paydown of such facilities. In this scenario, we may not be able to comply with our obligations to purchase interests in MSRs and servicer advances under the related

purchase agreements. Notwithstanding this inability to purchase, the related seller may try to force us to continue making such purchases. If it is determined that we are in breach of our obligations under our purchase agreements, any claims that we may have against such related seller may be subject to offset against claims such seller may have against us by reason of this breach.

We acquired Shellpoint Partners LLC, and certain subsidiaries of Shellpoint Partners LLC, originate and service residential mortgage loans, which may subject us to various new and/or increased risks that could have a negative impact on our financial results.

On November 29, 2017, a wholly owned subsidiary of NRM (the "Shellpoint Purchaser") entered into a Securities Purchase Agreement (as amended on July 3, 2018, the "SPA") with Shellpoint Partners LLC ("Shellpoint"), the sellers party thereto and Shellpoint Services LLC, as the original representative of the sellers and later replaced by Shellpoint Representative LLC as the replacement representative of the sellers, pursuant to which, the Shellpoint Purchaser purchased all of the outstanding equity interests of Shellpoint (the "Shellpoint Acquisition"). On July 3, 2018, we consummated the Shellpoint Acquisition. Shellpoint subsidiaries, now subsidiaries of New Residential, perform various mortgage and real estate related services, and have origination and servicing operations, which entails borrower-facing activities and employing personnel. Since the closing of the Shellpoint Acquisition, Shellpoint entities have maintained such operations and, in the future, we expect such operations to continue. Neither we nor any of our subsidiaries has previously originated or serviced loans directly, and owning entities that perform these and other operations could expose us to risks similar to those of our Servicing Partners, as well as various new and/or increased indirect regulatory risks, including, but not limited to:

- risks related to compliance with federal regulatory regimes, such as the Dodd-Frank Act, Equal Credit Opportunity Act, Fair Debt Collection Practices Act, Fair Credit Reporting Act, Truth in Lending Act, Real Estate Settlement Procedures Act, Service Member's Civil Relief Act, Homeowner's Protection Act, Telephone Consumer Protection Act, Financial Institutions Reform, Recovery and Enforcement Act of 1989, Home Mortgage Disclosure Act, among others, as well as certain state and local regimes, which implement regulatory requirements and create regulatory risks, including, among others, those pertaining to: real estate settlement procedures; fair lending; fair credit reporting; truth in lending; disclosure and licensing requirements; the establishment of maximum interest rates, finance charges and other charges; secured transactions; collection, foreclosure, repossession and claims-handling procedures; origination and servicing standards; minimum net worth and liquidity requirements; and other trade practices and privacy regulations providing for the use and safeguarding of non-public personal financial information of borrowers and guidance on non-traditional mortgage loans issued by the federal financial regulatory agencies;
- risks related to changes in prevailing interest rates;
- risks related to employing, attracting and retaining highly skilled servicing, lending, finance, risk, compliance, technical and other personnel;
- risks related to originating loans, including, among others: maintaining the volume of the origination business; financing the origination business; compliance with FHA underwriting guidelines; and termination of government mortgage refinancing programs;
- risks related to securitizing any loans originated and/or serviced by Shellpoint entities, including, among others: compliance with the terms of the agreements governing the securitized pools of loans, including any indemnification and repurchase provisions; reliance on programs administered by Fannie Mae, Freddie Mac, and Ginnie Mae that facilitate the issuance of mortgage-backed securities in the secondary market and the effect of any changes or modifications thereto; and federal and state legislative initiatives in securitizations, such as the risk retention requirements under the Dodd-Frank Act;
- risks related to servicing loans, including, among others, those pertaining to: significant increases in delinquencies for the loans; compliance with the terms of related servicing agreements; financing related servicer advances; expenses related to servicing high risk loans; unrecovered or delayed recovery of servicing advances; a general risk in foreclosure rates; maintaining the size of the related servicing portfolio; and a downgrade in servicer ratings; and
- risks related to the assumption of Shellpoint's existing legal and regulatory proceedings, government investigations and inquiries as well as any similar proceedings, investigations and/or inquiries that may occur in the future as a result of conducting origination and servicing operations.

Any one or more of the foregoing risks could have a material adverse effect on our business, financial condition, results of operations and liquidity.

GSE initiatives and other actions, including changes to the minimum servicing amount for GSE loans, could occur at any time and could impact us in significantly negative ways that we are unable to predict or protect against.

The Federal Housing Finance Agency ("FHFA") and other industry stakeholders or regulators may implement or require changes to current mortgage servicing practices and compensation that could have a material adverse effect on the economics or performance of our investments in MSRs.

Currently, when a loan is sold into the secondary market for Fannie Mae or Freddie Mac loans, the servicer is generally required to retain a minimum servicing amount ("MSA") of 25 basis points of the UPB for fixed rate mortgages. As has been widely publicized, in September 2011, the FHFA announced that a Joint Initiative on Mortgage Servicing Compensation was seeking public comment on two alternative mortgage servicing compensation structures detailed in a discussion paper. Changes to the MSA structure could significantly impact our business in negative ways that we cannot predict or protect against. For example, the elimination of a MSA could radically change the mortgage servicing industry and could severely limit the supply of interests in MSRs available for sale. In addition, a removal of, or reduction in, the MSA could significantly reduce the recapture rate on the affected loan portfolio, which would negatively affect the investment return on our interests in MSRs. We cannot predict whether any changes to current MSA rules will occur or what impact any changes will have on our business, results of operations, liquidity or financial condition.

Our interests in MSRs may involve complex or novel structures.

Interests in MSRs may entail new types of transactions and may involve complex or novel structures. Accordingly, the risks associated with the transactions and structures are not fully known to buyers and sellers. In the case of interests in MSRs on Agency pools, Agencies may require that we submit to costly or burdensome conditions as a prerequisite to their consent to an investment in, or our financing of, interests in MSRs on Agency pools. Agency conditions, including capital requirements, may diminish or eliminate the investment potential of interests in MSRs on Agency pools by making such investments too expensive for us or by severely limiting the potential returns available from interests in MSRs on Agency pools.

It is possible that an Agency's views on whether any such acquisition structure is appropriate or acceptable may not be known to us when we make an investment and may change from time to time for any reason or for no reason, even with respect to a completed investment. An Agency's evolving posture toward an acquisition or disposition structure through which we invest in or dispose of interests in MSRs on Agency pools may cause such Agency to impose new conditions on our existing interests in MSRs on Agency pools, including the owner's ability to hold such interests in MSRs on Agency pools directly or indirectly through a grantor trust or other means. Such new conditions may be costly or burdensome and may diminish or eliminate the investment potential of the interests in MSRs on Agency pools that are already owned by us. Moreover, obtaining such consent may require us or our co-investment counterparties to agree to material structural or economic changes, as well as agree to indemnification or other terms that expose us to risks to which we have not previously been exposed and that could negatively affect our returns from our investments.

Our ability to finance the MSRs and servicer advances acquired in the MSR Transactions may depend on the related Servicing Partner's cooperation with our financing sources and compliance with certain covenants.

We have in the past and intend to continue to finance some or all of the MSRs or servicer advances acquired in the MSR Transactions, and as a result, we will be subject to substantial operational risks associated with the related Servicing Partners. In our current financing facilities for interests in MSRs and servicer advances, the failure of the related Servicing Partner to satisfy various covenants and tests can result in an amortization event and/or an event of default. Our financing sources may require us to include similar provisions in any financing we obtain relating to the MSRs and servicer advances acquired in the MSR Transactions. If we decide to finance such assets, we will not have the direct ability to control any party's compliance with any such covenants and tests and the failure of any party to satisfy any such covenants or tests could result in a partial or total loss on our investment. Some financing sources may be unwilling to finance any assets acquired in the MSR Transactions.

In addition, any financing for the MSRs and servicer advances acquired in the MSR Transactions may be subject to regulatory approval and the agreement of the relevant Servicing Partner to be party to such financing agreements. If we cannot get regulatory approval or these parties do not agree to be a party to such financing agreements, we may not be able to obtain financing on favorable terms or at all.

Mortgage servicing is heavily regulated at the U.S. federal, state and local levels, and each transfer of MSRs to our subservicer of such MSRs may not be approved by the requisite regulators.

Mortgage servicers must comply with U.S. federal, state and local laws and regulations. These laws and regulations cover topics such as licensing; allowable fees and loan terms; permissible servicing and debt collection practices; limitations on forced-placed insurance; special consumer protections in connection with default and foreclosure; and protection of confidential, nonpublic consumer information. The volume of new or modified laws and regulations has increased in recent years, and states and individual cities and counties continue to enact laws that either restrict or impose additional obligations in connection with certain loan origination, acquisition and servicing activities in those cities and counties. The laws and regulations are complex and vary greatly among the states and localities, and in some cases, these laws are in conflict with each other or with U.S. federal law. In connection

with the MSR Transactions, there is no assurance that each transfer of MSRs to our selected subservicer will be approved by the requisite regulators. If regulatory approval for each such transfer is not obtained, we may incur additional costs and expenses in connection with the approval of another replacement subservicer.

We do not have legal title to the MSRs underlying our Excess MSRs or certain of our Servicer Advance Investments.

We do not have legal title to the MSRs underlying our Excess MSRs or certain of the MSRs related to the transactions contemplated by the purchase agreements pursuant to which we acquire Servicer Advance Investments or MSR financing receivables from Ocwen, SLS and Nationstar, and are subject to increased risks as a result of the related servicer continuing to own the mortgage servicing rights. The validity or priority of our interest in the underlying mortgage servicing could be challenged in a bankruptcy proceeding of the servicer, and the related purchase agreement could be rejected in such proceeding. Any of the foregoing events might have a material adverse effect on our business, financial condition, results of operations and liquidity. As part of the Ocwen Transaction, we and Ocwen have agreed to cooperate to obtain any third party consents required to transfer Ocwen's remaining interest in the Ocwen Subject MSRs to us. As noted above, however, there is no assurance that we will be successful in obtaining those consents.

Many of our investments may be illiquid, and this lack of liquidity could significantly impede our ability to vary our portfolio in response to changes in economic and other conditions or to realize the value at which such investments are carried if we are required to dispose of them.

Many of our investments are illiquid. Illiquidity may result from the absence of an established market for the investments, as well as legal or contractual restrictions on their resale, refinancing or other disposition. Dispositions of investments may be subject to contractual and other limitations on transfer or other restrictions that would interfere with subsequent sales of such investments or adversely affect the terms that could be obtained upon any disposition thereof.

Interests in MSRs are highly illiquid and may be subject to numerous restrictions on transfers, including without limitation the receipt of third-party consents. For example, the Servicing Guidelines of a mortgage owner may require that holders of Excess MSRs obtain the mortgage owner's prior approval of any change of direct ownership of such Excess MSRs. Such approval may be withheld for any reason or no reason in the discretion of the mortgage owner. Moreover, we have not received and do not expect to receive any assurances from any GSEs that their conditions for the sale by us of any interests in MSRs will not change. Therefore, the potential costs, issues or restrictions associated with receiving such GSEs' consent for any such dispositions by us cannot be determined with any certainty. Additionally, interests in MSRs may entail complex transaction structures and the risks associated with the transactions and structures are not fully known to buyers or sellers. As a result of the foregoing, we may be unable to locate a buyer at the time we wish to sell interests in MSRs. There is some risk that we will be required to dispose of interests in MSRs either through an in-kind distribution or other liquidation vehicle, which will, in either case, provide little or no economic benefit to us, or a sale to a co-investor in the interests in MSRs, which may be an affiliate. Accordingly, we cannot provide any assurance that we will obtain any return or any benefit of any kind from any disposition of interests in MSRs. We may not benefit from the full term of the assets and for the aforementioned reasons may not receive any benefits from the disposition, if any, of such assets.

In addition, some of our real estate and other securities may not be registered under the relevant securities laws, resulting in a prohibition against their transfer, sale, pledge or other disposition except in a transaction that is exempt from the registration requirements of, or is otherwise in accordance with, those laws. There are also no established trading markets for a majority of our intended investments. Moreover, certain of our investments, including our investments in consumer loans and certain of our interests in MSRs, are made indirectly through a vehicle that owns the underlying assets. Our ability to sell our interest may be contractually limited or prohibited. As a result, our ability to vary our portfolio in response to changes in economic and other conditions may be limited.

Our real estate and other securities have historically been valued based primarily on third-party quotations, which are subject to significant variability based on the liquidity and price transparency created by market trading activity. A disruption in these trading markets could reduce the trading for many real estate and other securities, resulting in less transparent prices for those securities, which would make selling such assets more difficult. Moreover, a decline in market demand for the types of assets that we hold would make it more difficult to sell our assets. If we are required to liquidate all or a portion of our illiquid investments quickly, we may realize significantly less than the amount at which we have previously valued these investments.

Market conditions could negatively impact our business, results of operations, cash flows and financial condition.

The market in which we operate is affected by a number of factors that are largely beyond our control but can nonetheless have a potentially significant, negative impact on us. These factors include, among other things:

- interest rates and credit spreads;
- the availability of credit, including the price, terms and conditions under which it can be obtained;
- the quality, pricing and availability of suitable investments;
- the ability to obtain accurate market-based valuations;
- the ability of securities dealers to make markets in relevant securities and loans;
- loan values relative to the value of the underlying real estate assets;
- default rates on the loans underlying our investments and the amount of the related losses, and credit losses with respect to our investments;
- prepayment and repayment rates, delinquency rates and legislative/regulatory changes with respect to our investments, and the timing and amount of servicer advances;
- the availability and cost of quality Servicing Partners, and advance, recovery and recapture rates;
- competition;
- the actual and perceived state of the real estate markets, bond markets, market for dividend-paying stocks and public capital markets generally;
- unemployment rates; and
- the attractiveness of other types of investments relative to investments in real estate or REITs generally.

Changes in these factors are difficult to predict, and a change in one factor can affect other factors. For example, at various points in time, increased default rates in the subprime mortgage market played a role in causing credit spreads to widen, reducing availability of credit on favorable terms, reducing liquidity and price transparency of real estate related assets, resulting in difficulty in obtaining accurate mark-to-market valuations, and causing a negative perception of the state of the real estate markets and of REITs generally. Market conditions could be volatile or could deteriorate as a result of a variety of factors beyond our control with adverse effects to our financial condition.

The geographic distribution of the loans underlying, and collateral securing, certain of our investments subjects us to geographic real estate market risks, which could adversely affect the performance of our investments, our results of operations and financial condition.

The geographic distribution of the loans underlying, and collateral securing, our investments, including our interests in MSRs, servicer advances, Non-Agency RMBS and loans, exposes us to risks associated with the real estate and commercial lending industry in general within the states and regions in which we hold significant investments. These risks include, without limitation: possible declines in the value of real estate; risks related to general and local economic conditions; possible lack of availability of mortgage funds; overbuilding; extended vacancies of properties; increases in competition, property taxes and operating expenses; changes in zoning laws; increased energy costs; unemployment; costs resulting from the clean-up of, and liability to third parties for damages resulting from, environmental problems; casualty or condemnation losses; uninsured damages from floods, hurricanes, earthquakes or other natural disasters; and changes in interest rates.

As of September 30, 2018, 24.8% and 20.5% of the total UPB of the residential mortgage loans underlying our Excess MSRs and MSRs, respectively, was secured by properties located in California, which are particularly susceptible to natural disasters such as fires, earthquakes and mudslides. 8.0% and 7.0% of the total UPB of the residential mortgage loans underlying our Excess MSRs and MSRs, respectively, was secured by properties located in Florida, which are particularly susceptible to natural disasters such as hurricanes and floods. As of September 30, 2018, 36.1% of the collateral securing our Non-Agency RMBS was located in the Western U.S., 23.7% was located in the Southeastern U.S., 19.7% was located in the Northeastern U.S., 11.0% was located in the Midwestern U.S. and 7.0% was located in the Southwestern U.S. We were unable to obtain geographical information for 2.5% of the collateral. As a result of this concentration, we may be more susceptible to adverse developments in those markets than if we owned a more geographically diverse portfolio. To the extent any of the foregoing risks arise in states and regions where we hold significant investments, the performance of our investments, our results of operations, cash flows and financial condition could suffer a material adverse effect.

The value of our interests in MSRs, servicer advances, residential mortgage loans and RMBS may be adversely affected by deficiencies in servicing and foreclosure practices, as well as related delays in the foreclosure process.

Allegations of deficiencies in servicing and foreclosure practices among several large sellers and servicers of residential mortgage loans that surfaced in 2010 raised various concerns relating to such practices, including the improper execution of the documents

used in foreclosure proceedings (so-called "robo signing"), inadequate documentation of transfers and registrations of mortgages and assignments of loans, improper modifications of loans, violations of representations and warranties at the date of securitization and failure to enforce put-backs.

As a result of alleged deficiencies in foreclosure practices, a number of servicers temporarily suspended foreclosure proceedings beginning in the second half of 2010 while they evaluated their foreclosure practices. In late 2010, a group of state attorneys general and state bank and mortgage regulators representing nearly all 50 states and the District of Columbia, along with the U.S. Justice Department and U.S. Department of Housing and Urban Development ("HUD"), began an investigation into foreclosure practices of banks and servicers. The investigations and lawsuits by several state attorneys general led to a settlement agreement in early February 2012 with five of the nation's largest banks, pursuant to which the banks agreed to pay more than $25.0 billion to settle claims relating to improper foreclosure practices. The settlement does not prohibit the states, the federal government, individuals or investors from pursuing additional actions against the banks and servicers in the future.

Under the terms of the agreements governing our Servicer Advance Investments and MSRs, we (in certain cases, together with third-party co-investors) are required to make or purchase from certain of our Servicing Partners, servicer advances on certain loan pools. While a residential mortgage loan is in foreclosure, servicers are generally required to continue to advance delinquent principal and interest and to also make advances for delinquent taxes and insurance and foreclosure costs and the upkeep of vacant property in foreclosure to the extent it determines that such amounts are recoverable. Servicer advances are generally recovered when the delinquency is resolved.

Foreclosure moratoria or other actions that lengthen the foreclosure process increase the amount of servicer advances we or our Servicing Partners are required to make and we are required to purchase, lengthen the time it takes for us to be repaid for such advances and increase the costs incurred during the foreclosure process. In addition, servicer advance financing facilities contain provisions that modify the advance rates for, and limit the eligibility of, servicer advances to be financed based on the length of time that servicer advances are outstanding, and, as a result, an increase in foreclosure timelines could further increase the amount of servicer advances that we need to fund with our own capital. Such increases in foreclosure timelines could increase our need for capital to fund servicer advances (which do not bear interest), which would increase our interest expense, reduce the value of our investment and potentially reduce the cash that we have available to pay our operating expenses or to pay dividends.

Even in states where servicers have not suspended foreclosure proceedings or have lifted (or will soon lift) any such delayed foreclosures, servicers, including our Servicing Partners, have faced, and may continue to face, increased delays and costs in the foreclosure process. For example, the current legislative and regulatory climate could lead borrowers to contest foreclosures that they would not otherwise have contested under ordinary circumstances, and servicers may incur increased litigation costs if the validity of a foreclosure action is challenged by a borrower. In general, regulatory developments with respect to foreclosure practices could result in increases in the amount of servicer advances and the length of time to recover servicer advances, fines or increases in operating expenses, and decreases in the advance rate and availability of financing for servicer advances. This would lead to increased borrowings, reduced cash and higher interest expense which could negatively impact our liquidity and profitability. Although the terms of our Servicer Advance Investments contain adjustment mechanisms that would reduce the amount of performance fees payable to the related Servicing Partner if servicer advances exceed pre-determined amounts, those fee reductions may not be sufficient to cover the expenses resulting from longer foreclosure timelines.

The integrity of the servicing and foreclosure processes is critical to the value of the residential mortgage loans in which we invest and of the portfolios of loans underlying our interests in MSRs and RMBS, and our financial results could be adversely affected by deficiencies in the conduct of those processes. For example, delays in the foreclosure process that have resulted from investigations into improper servicing practices may adversely affect the values of, and result in losses on, these investments. Foreclosure delays may also increase the administrative expenses of the securitization trusts for the RMBS, thereby reducing the amount of funds available for distribution to investors.

In addition, the subordinate classes of securities issued by the securitization trusts may continue to receive interest payments while the defaulted loans remain in the trusts, rather than absorbing the default losses. This may reduce the amount of credit support available for senior classes of RMBS that we may own, thus possibly adversely affecting these securities. Additionally, a substantial portion of the $25.0 billion settlement is a "credit" to the banks and servicers for principal write-downs or reductions they may make to certain mortgages underlying RMBS. There remains uncertainty as to how these principal reductions will work and what effect they will have on the value of related RMBS. As a result, there can be no assurance that any such principal reductions will not adversely affect the value of our interests in MSRs and RMBS.

While we believe that the sellers and servicers would be in violation of the applicable Servicing Guidelines to the extent that they have improperly serviced mortgage loans or improperly executed documents in foreclosure or bankruptcy proceedings, or do not comply with the terms of servicing contracts when deciding whether to apply principal reductions, it may be difficult, expensive,

time consuming and, ultimately, uneconomic for us to enforce our contractual rights. While we cannot predict exactly how the servicing and foreclosure matters or the resulting litigation or settlement agreements will affect our business, there can be no assurance that these matters will not have an adverse impact on our results of operations, cash flows and financial condition.

A failure by any or all of the members of Buyer to make capital contributions for amounts required to fund servicer advances could result in an event of default under our advance facilities and a complete loss of our investment.

New Residential and third-party co-investors, through a joint venture entity (Advance Purchaser LLC, the "Buyer") have agreed to purchase all future arising servicer advances from Nationstar under certain residential mortgage servicing agreements. Buyer relies, in part, on its members to make committed capital contributions in order to pay the purchase price for future servicer advances. A failure by any or all of the members to make such capital contributions for amounts required to fund servicer advances could result in an event of default under our advance facilities and a complete loss of our investment.

The residential mortgage loans underlying the securities we invest in and the loans we directly invest in are subject to delinquency, foreclosure and loss, which could result in losses to us.

The ability of a borrower to repay a loan secured by a residential property is dependent upon the income or assets of the borrower. A number of factors may impair borrowers' abilities to repay their loans, including, among other things, changes in the borrower's employment status, changes in national, regional or local economic conditions, changes in interest rates or the availability of credit on favorable terms, changes in regional or local real estate values, changes in regional or local rental rates and changes in real estate taxes.

Our mortgage backed securities are securities backed by mortgage loans. Many of the RMBS in which we invest are backed by collateral pools of subprime residential mortgage loans. "Subprime" mortgage loans refer to mortgage loans that have been originated using underwriting standards that are less restrictive than the underwriting requirements used as standards for other first and junior lien mortgage loan purchase programs, such as the programs of Fannie Mae and Freddie Mac. These lower standards include mortgage loans made to borrowers having imperfect or impaired credit histories (including outstanding judgments or prior bankruptcies), mortgage loans where the amount of the loan at origination is 80% or more of the value of the mortgage property, mortgage loans made to borrowers with low credit scores, mortgage loans made to borrowers who have other debt that represents a large portion of their income and mortgage loans made to borrowers whose income is not required to be disclosed or verified. Subprime mortgage loans may experience delinquency, foreclosure, bankruptcy and loss rates that are higher, and that may be substantially higher, than those experienced by mortgage loans underwritten in a more traditional manner. To the extent losses are realized on the loans underlying the securities in which we invest, we may not recover the amount invested in, or, in extreme cases, any of our investment in such securities.

Residential mortgage loans, including manufactured housing loans and subprime mortgage loans are secured by single-family residential property and are also subject to risks of delinquency and foreclosure, and risks of loss. A significant portion of the residential mortgage loans that we acquire are, or may become, sub-performing loans, non-performing loans or REO assets where the borrower has failed to make timely payments of principal and/or interest. As part of the residential mortgage loan portfolios we purchase, we also may acquire performing loans that are or subsequently become sub-performing or non-performing, meaning the borrowers fail to timely pay some or all of the required payments of principal and/or interest. Under current market conditions, it is likely that some of these loans will have current loan-to-value ratios in excess of 100%, meaning the amount owed on the loan exceeds the value of the underlying real estate.

In the event of default under a residential mortgage loan held directly by us, we will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral and the outstanding principal and accrued but unpaid interest of the loan. Even though we typically pay less than the amount owed on these loans to acquire them, if actual results differ from our assumptions in determining the price we paid to acquire such loans, we may incur significant losses. In addition, we may acquire REO assets directly, which involves the same risks. Any loss we incur may be significant and could materially and adversely affect us.

Our investments in real estate and other securities are subject to changes in credit spreads as well as available market liquidity, which could adversely affect our ability to realize gains on the sale of such investments.

Real estate and other securities are subject to changes in credit spreads. Credit spreads measure the yield demanded on securities by the market based on their credit relative to a specific benchmark.

Fixed rate securities are valued based on a market credit spread over the rate payable on fixed rate U.S. Treasuries of like maturity. Floating rate securities are valued based on a market credit spread over LIBOR and are affected similarly by changes in LIBOR spreads. As of September 30, 2018, 73.4% of our Non-Agency RMBS Portfolio consisted of floating rate securities and 26.6%

consisted of fixed rate securities, and 100.0% of our Agency RMBS portfolio consisted of fixed rate securities, based on the amortized cost basis of all securities (including the amortized cost basis of interest-only and residual classes). Excessive supply of these securities combined with reduced demand will generally cause the market to require a higher yield on these securities, resulting in the use of a higher, or "wider," spread over the benchmark rate to value such securities. Under such conditions, the value of our real estate and other securities portfolios would tend to decline. Conversely, if the spread used to value such securities were to decrease, or "tighten," the value of our real estate and other securities portfolio would tend to increase. Such changes in the market value of our real estate securities portfolios may affect our net equity, net income or cash flow directly through their impact on unrealized gains or losses on available-for-sale securities, and therefore our ability to realize gains on such securities, or indirectly through their impact on our ability to borrow and access capital. Widening credit spreads could cause the net unrealized gains on our securities and derivatives, recorded in accumulated other comprehensive income or retained earnings, and therefore our book value per share, to decrease and result in net losses.

Prepayment rates on our residential mortgage loans and those underlying our real estate and other securities may adversely affect our profitability.

In general, residential mortgage loans may be prepaid at any time without penalty. Prepayments result when homeowners/mortgagors satisfy (i.e., pay off) the mortgage upon selling or refinancing their mortgaged property. When we acquire a particular loan or security, we anticipate that the loan or underlying residential mortgage loans will prepay at a projected rate which, together with expected coupon income, provides us with an expected yield on such investments. If we purchase assets at a premium to par value, and borrowers prepay their mortgage loans faster than expected, the corresponding prepayments on our assets may reduce the expected yield on such assets because we will have to amortize the related premium on an accelerated basis. Conversely, if we purchase assets at a discount to par value, when borrowers prepay their mortgage loans slower than expected, the decrease in corresponding prepayments on our assets may reduce the expected yield on such assets because we will not be able to accrete the related discount as quickly as originally anticipated.

Prepayment rates on loans are influenced by changes in mortgage and market interest rates and a variety of economic, geographic, political and other factors, all of which are beyond our control. Consequently, such prepayment rates cannot be predicted with certainty and no strategy can completely insulate us from prepayment or other such risks. In periods of declining interest rates, prepayment rates on mortgage loans generally increase. If general interest rates decline at the same time, the proceeds of such prepayments received during such periods are likely to be reinvested by us in assets yielding less than the yields on the assets that were prepaid. In addition, the market value of our loans and real estate and other securities may, because of the risk of prepayment, benefit less than other fixed-income securities from declining interest rates.

We may purchase assets that have a higher or lower coupon rate than the prevailing market interest rates. In exchange for a higher coupon rate, we would then pay a premium over par value to acquire these securities. In accordance with GAAP, we would amortize the premiums over the life of the related assets. If the mortgage loans securing these assets prepay at a more rapid rate than anticipated, we would have to amortize our premiums on an accelerated basis which may adversely affect our profitability. As compensation for a lower coupon rate, we would then pay a discount to par value to acquire these assets. In accordance with GAAP, we would accrete any discounts over the life of the related assets. If the mortgage loans securing these assets prepay at a slower rate than anticipated, we would have to accrete our discounts on an extended basis which may adversely affect our profitability. Defaults on the mortgage loans underlying Agency RMBS typically have the same effect as prepayments because of the underlying Agency guarantee.

Prepayments, which are the primary feature of mortgage backed securities that distinguish them from other types of bonds, are difficult to predict and can vary significantly over time. As the holder of the security, on a monthly basis, we receive a payment equal to a portion of our investment principal in a particular security as the underlying mortgages are prepaid. In general, on the date each month that principal prepayments are announced (i.e., factor day), the value of our real estate related security pledged as collateral under our repurchase agreements is reduced by the amount of the prepaid principal and, as a result, our lenders will typically initiate a margin call requiring the pledge of additional collateral or cash, in an amount equal to such prepaid principal, in order to re-establish the required ratio of borrowing to collateral value under such repurchase agreements. Accordingly, with respect to our Agency RMBS, the announcement on factor day of principal prepayments is in advance of our receipt of the related scheduled payment, thereby creating a short-term receivable for us in the amount of any such principal prepayments. However, under our repurchase agreements, we may receive a margin call relating to the related reduction in value of our Agency RMBS and, prior to receipt of this short-term receivable, be required to post additional collateral or cash in the amount of the principal prepayment on or about factor day, which would reduce our liquidity during the period in which the short-term receivable is outstanding. As a result, in order to meet any such margin calls, we could be forced to sell assets in order to maintain liquidity. Forced sales under adverse market conditions may result in lower sales prices than ordinary market sales made in the normal course of business. If our real estate and other securities were liquidated at prices below our amortized cost (i.e., the cost basis) of such assets, we would incur losses, which could adversely affect our earnings. In addition, in order to continue to earn a return

on this prepaid principal, we must reinvest it in additional real estate and other securities or other assets; however, if interest rates decline, we may earn a lower return on our new investments as compared to the real estate and other securities that prepay.

Prepayments may have a negative impact on our financial results, the effects of which depend on, among other things, the timing and amount of the prepayment delay on our Agency RMBS, the amount of unamortized premium or discount on our loans and real estate and other securities, the rate at which prepayments are made on our Non-Agency RMBS, the reinvestment lag and the availability of suitable reinvestment opportunities.

Our investments in loans, REO and RMBS may be subject to significant impairment charges, which would adversely affect our results of operations.

We are required to periodically evaluate our investments for impairment indicators. The judgment regarding the existence of impairment indicators is based on a variety of factors depending upon the nature of the investment and the manner in which the income related to such investment was calculated for purposes of our financial statements. If we determine that an impairment has occurred, we are required to make an adjustment to the net carrying value of the investment, which would adversely affect our results of operations in the applicable period and thereby adversely affect our ability to pay dividends to our stockholders.

The lenders under our financing agreements may elect not to extend financing to us, which could quickly and seriously impair our liquidity.

We finance a meaningful portion of our investments with repurchase agreements and other short-term financing arrangements. Under the terms of repurchase agreements, we will sell an asset to the lending counterparty for a specified price and concurrently agree to repurchase the same asset from our counterparty at a later date for a higher specified price. During the term of the repurchase agreement—which can be as short as 30 days—the counterparty will make funds available to us and hold the asset as collateral. Our counterparties can also require us to post additional margin as collateral at any time during the term of the agreement. When the term of a repurchase agreement ends, we will be required to repurchase the asset for the specified repurchase price, with the difference between the sale and repurchase prices serving as the equivalent of paying interest to the counterparty in return for extending financing to us. If we want to continue to finance the asset with a repurchase agreement, we ask the counterparty to extend—or "roll"—the repurchase agreement for another term.

Our counterparties are not required to roll our repurchase agreements or other financing agreements upon the expiration of their stated terms, which subjects us to a number of risks. Counterparties electing to roll our financing agreements may charge higher spread and impose more onerous terms upon us, including the requirement that we post additional margin as collateral. More significantly, if a financing agreement counterparty elects not to extend our financing, we would be required to pay the counterparty in full on the maturity date and find an alternate source of financing. Alternate sources of financing may be more expensive, contain more onerous terms or simply may not be available. If we were unable to pay the repurchase price for any asset financed with a repurchase agreement, the counterparty has the right to sell the asset being held as collateral and require us to compensate it for any shortfall between the value of our obligation to the counterparty and the amount for which the collateral was sold (which may be a significantly discounted price). Moreover, our financing agreement obligations are currently with a limited number of counterparties. If any of our counterparties elected not to roll our financing agreements, we may not be able to find a replacement counterparty in a timely manner. Finally, some of our financing agreements contain covenants and our failure to comply with such covenants could result in a loss of our investment.

The financing sources under our servicer advance financing facilities may elect not to extend financing to us or may have or take positions adverse to us, which could quickly and seriously impair our liquidity.

We finance a meaningful portion of our Servicer Advance Investments and servicer advances receivable with structured financing arrangements. These arrangements are commonly of a short-term nature. These arrangements are generally accomplished by having the named servicer, if the named servicer is a subsidiary of the Company, or the purchaser of such Servicer Advance Investments (which is a subsidiary of the Company) transfer our right to repayment for certain servicer advances that we have as servicer under the relevant Servicing Guidelines or that we have acquired from one of our Servicing Partners, as applicable, to one of our wholly owned bankruptcy remote subsidiaries (a "Depositor"). We are generally required to continue to transfer to the related Depositor all of our rights to repayment for any particular pool of servicer advances as they arise (and, if applicable, are transferred from one of our Servicing Partners) until the related financing arrangement is paid in full and is terminated. The related Depositor then transfers such rights to an "Issuer." The Issuer then issues limited recourse notes to the financing sources backed by such rights to repayment.

The outstanding balance of servicer advances securing these arrangements is not likely to be repaid on or before the maturity date of such financing arrangements. Accordingly, we rely heavily on our financing sources to extend or refinance the terms of such

financing arrangements. Our financing sources are not required to extend the arrangements upon the expiration of their stated terms, which subjects us to a number of risks. Financing sources electing to extend may charge higher interest rates and impose more onerous terms upon us, including without limitation, lowering the amount of financing that can be extended against any particular pool of servicer advances.

If a financing source is unable or unwilling to extend financing, including, but not limited to, due to legal or regulatory matters applicable to us or our Servicing Partners, the related Issuer will be required to repay the outstanding balance of the financing on the related maturity date. Additionally, there may be substantial increases in the interest rates under a financing arrangement if the related notes are not repaid, extended or refinanced prior to the expected repayment dated, which may be before the related maturity date. If an Issuer is unable to pay the outstanding balance of the notes, the financing sources generally have the right to foreclose on the servicer advances pledged as collateral.

Currently, certain of the notes issued under our structured servicer advance financing arrangements accrue interest at a floating rate of interest. Servicer advances are non-interest bearing assets. Accordingly, if there is an increase in prevailing interest rates and/or our financing sources increase the interest rate "margins" or "spreads." the amount of financing that we could obtain against any particular pool of servicer advances may decrease substantially and/or we may be required to obtain interest rate hedging arrangements. There is no assurance that we will be able to obtain any such interest rate hedging arrangements.

Alternate sources of financing may be more expensive, contain more onerous terms or simply may not be available. Moreover, our structured servicer advance financing arrangements are currently with a limited number of counterparties. If any of our sources are unable to or elected not to extend or refinance such arrangements, we may not be able to find a replacement counterparty in a timely manner.

Many of our servicer advance financing arrangements are provided by financial institutions with whom we have substantial relationships. Some of our servicer advance financing arrangements entail the issuance of term notes to capital markets investors with whom we have little or no relationships or the identities of which we may not be aware and, therefore, we have no ability to control or monitor the identity of the holders of such term notes. Holders of such term notes may have or may take positions - for example, "short" positions in our stock or the stock of our servicers - that could be benefited by adverse events with respect to us or our Servicing Partners. If any holders of term notes allege or assert noncompliance by us or the related Servicing Partner under our servicer advance financing arrangements in order to realize such benefits, we or our Servicing Partners, or our ability to maintain servicer advance financing on favorable terms, could be materially and adversely affected.

We may not be able to finance our investments on attractive terms or at all, and financing for interests in MSRs or servicer advances may be particularly difficult to obtain.

The ability to finance investments with securitizations or other long-term non-recourse financing not subject to margin requirements has been more challenging since 2007 as a result of market conditions. These conditions may result in having to use less efficient forms of financing for any new investments, or the refinancing of current investments, which will likely require a larger portion of our cash flows to be put toward making the investment and thereby reduce the amount of cash available for distribution to our stockholders and funds available for operations and investments, and which will also likely require us to assume higher levels of risk when financing our investments. In addition, there is a limited market for financing of interests in MSRs, and it is possible that one will not develop for a variety of reasons, such as the challenges with perfecting security interests in the underlying collateral.

Certain of our advance facilities may mature in the short term, and there can be no assurance that we will be able to renew these facilities on favorable terms or at all. Moreover, an increase in delinquencies with respect to the loans underlying our servicer advances could result in the need for additional financing, which may not be available to us on favorable terms or at all. If we are not able to obtain adequate financing to purchase servicer advances from our Servicing Partners or fund servicer advances under our MSRs in accordance with the applicable Servicing Guidelines, we or any such Servicing Partner, as applicable, could default on its obligation to fund such advances, which could result in its termination of us or any applicable Servicing Partner, as applicable, as servicer under the applicable Servicing Guidelines, and a partial or total loss of our interests in MSRs and servicer advances, as applicable.

The non-recourse long-term financing structures we use expose us to risks, which could result in losses to us.

We use structured finance and other non-recourse long-term financing for our investments to the extent available and appropriate. In such structures, our financing sources typically have only a claim against the assets included in the securitizations rather than a general claim against us as an entity. Prior to any such financing, we would seek to finance our investments with relatively short-term facilities until a sufficient portfolio is accumulated. As a result, we would be subject to the risk that we would not be able to

acquire, during the period that any short-term facilities are available, sufficient eligible assets or securities to maximize the efficiency of a securitization. We also bear the risk that we would not be able to obtain new short-term facilities or would not be able to renew any short-term facilities after they expire should we need more time to seek and acquire sufficient eligible assets or securities for a securitization. In addition, conditions in the capital markets may make the issuance of any such securitization less attractive to us even when we do have sufficient eligible assets or securities. While we would generally intend to retain a portion of the interests issued under such securitizations and, therefore, still have exposure to any investments included in such securitizations, our inability to enter into such securitizations may increase our overall exposure to risks associated with direct ownership of such investments, including the risk of default. Our inability to refinance any short-term facilities would also increase our risk because borrowings thereunder would likely be recourse to us as an entity. If we are unable to obtain and renew short-term facilities or to consummate securitizations to finance our investments on a long-term basis, we may be required to seek other forms of potentially less attractive financing or to liquidate assets at an inopportune time or price.

The final Basel FRTB Ruling, which raised capital charges for bank holders of ABS, CMBS and Non-Agency MBS beginning in 2019, could adversely impact available trading liquidity and access to financing.

In January 2006, the Basel Committee on Banking Supervision released a finalized framework for calculating minimum capital requirements for market risk, which will take effect in January 2019. In the final proposal, capital requirements would overall be meaningfully higher than current requirements, but are less punitive than the previous December 2014 proposal. However, each country's specific regulator may codify the rules differently. Under the framework, capital charges on a bond are calculated based on three components: default, market and residual risk. Implementation of the final proposal could impose meaningfully higher capital charges on dealers compared with current requirements, and could reduce liquidity in the securitized products market.

Risks associated with our investment in the consumer loan sector could have a material adverse effect on our business and financial results.

Our portfolio includes an investment in the consumer loan sector. Although many of the risks applicable to consumer loans are also applicable to residential mortgage loans, and thus the type of risks that we have experience managing, there are nevertheless substantial risks and uncertainties associated with engaging in a different category of investment.

The ability of borrowers to repay the consumer loans we invest in may be adversely affected by numerous personal factors, including unemployment, divorce, major medical expenses or personal bankruptcy. General factors, including an economic downturn, high energy costs or acts of God or terrorism, may also affect the financial stability of borrowers and impair their ability or willingness to repay the consumer loans in our investment portfolio. Furthermore, our returns on our consumer loan investments are dependent on the interest we receive exceeding any losses we may incur from defaults or delinquencies. The relatively higher interest rates paid by consumer loan borrowers could lead to increased delinquencies and defaults, or could lead to financially stronger borrowers prepaying their loans, thereby reducing the interest we receive from them, while financially weaker borrowers become delinquent or default, either of which would reduce the return on our investment or could cause losses.

In the event of any default under a loan in the consumer loan portfolio in which we have invested, we will bear a risk of loss of principal to the extent of any deficiency between the value of the collateral securing the loan, if any, and the principal and accrued interest of the loan. In addition, our investments in consumer loans may entail greater risk than our investments in residential mortgage loans, particularly in the case of consumer loans that are unsecured or secured by assets that depreciate rapidly. In such cases, repossessed collateral for a defaulted consumer loan may not provide an adequate source of repayment for the outstanding loan and the remaining deficiency often does not warrant further substantial collection efforts against the borrower. Further, repossessing personal property securing a consumer loan can present additional challenges, including locating the collateral and taking possession of it. In addition, borrowers under consumer loans may have lower credit scores. There can be no guarantee that we will not suffer unexpected losses on our investments as a result of the factors set out above, which could have a negative impact on our financial results.

In addition, a portion of our investment in consumer loans is secured by second and third liens on real estate. When we hold the second or third lien, another creditor or creditors, as applicable, holds the first and/or second, as applicable, lien on the real estate that is the subject of the security. In these situations our second or third lien is subordinate in right of payment to the first and/or second, as applicable, holder's right to receive payment. Moreover, as the servicer of the loans underlying our consumer loan portfolio is not able to track the default status of a senior lien loan in instances where we do not hold the related first mortgage, the value of the second or third lien loans in our portfolio may be lower than our estimates indicate.

Finally, one of our consumer loan investments is held through LoanCo, in which we hold a minority, non-controlling interest. We do not control LoanCo and, as a result, LoanCo may make decisions, or take risks, that we would otherwise not make, and LoanCo

may not have access to the same management and financing expertise that we have. Failure to successfully manage these risks could have a material adverse effect on our business and financial results.

The consumer loan investment sector is subject to various initiatives on the part of advocacy groups and extensive regulation and supervision under federal, state and local laws, ordinances and regulations, which could have a negative impact on our financial results.

In recent years consumer advocacy groups and some media reports have advocated governmental action to prohibit or place severe restrictions on the types of short-term consumer loans in which we have invested. Such consumer advocacy groups and media reports generally focus on the annual percentage rate to a consumer for this type of loan, which is compared unfavorably to the interest typically charged by banks to consumers with top-tier credit histories.

The fees charged on the consumer loans in the portfolio in which we have invested may be perceived as controversial by those who do not focus on the credit risk and high transaction costs typically associated with this type of investment. If the negative characterization of these types of loans becomes increasingly accepted by consumers, demand for the consumer loan products in which we have invested could significantly decrease. Additionally, if the negative characterization of these types of loans is accepted by legislators and regulators, we could become subject to more restrictive laws and regulations in the area.

In addition, we are, or may become, subject to federal, state and local laws, regulations, or regulatory policies and practices, including the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") (which, among other things, established the Consumer Financial Protection Bureau (the "CFPB") with broad authority to regulate and examine financial institutions), which may, amongst other things, limit the amount of interest or fees allowed to be charged on the consumer loans we invest in, or the number of consumer loans that customers may receive or have outstanding. The operation of existing or future laws, ordinances and regulations could interfere with the focus of our investments which could have a negative impact on our financial results.

Certain jurisdictions require licenses to purchase, hold, enforce or sell residential mortgage loans and/or MSRs, and we may not be able to obtain and/or maintain such licenses.

Certain jurisdictions require a license to purchase, hold, enforce or sell residential mortgage loans and/or MSRs. We currently hold some but not all such licenses. In the event that any licensing requirement is applicable to us, there can be no assurance that we will obtain such licenses or, if obtained, that we will be able to maintain them. Our failure to obtain or maintain such licenses could restrict our ability to invest in loans in these jurisdictions if such licensing requirements are applicable. With respect to mortgage loans, in lieu of obtaining such licenses, we may contribute our acquired residential mortgage loans to one or more wholly owned trusts whose trustee is a national bank, which may be exempt from state licensing requirements. We have formed one or more subsidiaries to apply for certain state licenses. If these subsidiaries obtain the required licenses, any trust holding loans in the applicable jurisdictions may transfer such loans to such subsidiaries, resulting in these loans being held by a state-licensed entity. There can be no assurance that we will be able to obtain the requisite licenses in a timely manner or at all or in all necessary jurisdictions, or that the use of the trusts will reduce the requirement for licensing. In addition, even if we obtain necessary licenses, we may not be able to maintain them. Any of these circumstances could limit our ability to invest in residential mortgage loans or MSRs in the future and have a material adverse effect on us.

Our determination of how much leverage to apply to our investments may adversely affect our return on our investments and may reduce cash available for distribution.

We leverage certain of our assets through a variety of borrowings. Our investment guidelines do not limit the amount of leverage we may incur with respect to any specific asset or pool of assets. The return we are able to earn on our investments and cash available for distribution to our stockholders may be significantly reduced due to changes in market conditions, which may cause the cost of our financing to increase relative to the income that can be derived from our assets.

A significant portion of our investments are not match funded, which may increase the risks associated with these investments.

When available, a match funding strategy mitigates the risk of not being able to refinance an investment on favorable terms or at all. However, our Manager may elect for us to bear a level of refinancing risk on a short-term or longer-term basis, as in the case of investments financed with repurchase agreements, when, based on its analysis, our Manager determines that bearing such risk is advisable or unavoidable. In addition, we may be unable, as a result of conditions in the credit markets, to match fund our investments. For example since the 2008 recession, non-recourse term financing not subject to margin requirements has been more

difficult to obtain, which impairs our ability to match fund our investments. Moreover, we may not be able to enter into interest rate swaps. A decision not to, or the inability to, match fund certain investments exposes us to additional risks.

Furthermore, we anticipate that, in most cases, for any period during which our floating rate assets are not match funded with respect to maturity, the income from such assets may respond more slowly to interest rate fluctuations than the cost of our borrowings. Because of this dynamic, interest income from such investments may rise more slowly than the related interest expense, with a consequent decrease in our net income. Interest rate fluctuations resulting in our interest expense exceeding interest income would result in operating losses for us from these investments.

Accordingly, to the extent our investments are not match funded with respect to maturities and interest rates, we are exposed to the risk that we may not be able to finance or refinance our investments on economically favorable terms, or at all, or may have to liquidate assets at a loss.

Interest rate fluctuations and shifts in the yield curve may cause losses.

Interest rates are highly sensitive to many factors, including governmental monetary and tax policies, domestic and international economic and political considerations and other factors beyond our control. Our primary interest rate exposures relate to our interests in MSRs, RMBS, loans, derivatives and any floating rate debt obligations that we may incur. Changes in interest rates, including changes in expected interest rates or "yield curves," affect our business in a number of ways. Changes in the general level of interest rates can affect our net interest income, which is the difference between the interest income earned on our interest-earning assets and the interest expense incurred in connection with our interest-bearing liabilities and hedges. Changes in the level of interest rates also can affect, among other things, our ability to acquire real estate and other securities and loans at attractive prices, the value of our real estate and other securities, loans and derivatives and our ability to realize gains from the sale of such assets. We may wish to use hedging transactions to protect certain positions from interest rate fluctuations, but we may not be able to do so as a result of market conditions, REIT rules or other reasons. In such event, interest rate fluctuations could adversely affect our financial condition, cash flows and results of operations.

Recently, the Federal Reserve has increased the benchmark interest rate and indicated that there may be further increases in the future. In the event of a significant rising interest rate environment and/or economic downturn, loan and collateral defaults may increase and result in credit losses that would adversely affect our liquidity and operating results.

Our ability to execute our business strategy, particularly the growth of our investment portfolio, depends to a significant degree on our ability to obtain additional capital. Our financing strategy is dependent on our ability to place the debt we use to finance our investments at rates that provide a positive net spread. If spreads for such liabilities widen or if demand for such liabilities ceases to exist, then our ability to execute future financings will be severely restricted.

Interest rate changes may also impact our net book value as most of our investments are marked to market each quarter. Debt obligations are not marked to market. Generally, as interest rates increase, the value of our fixed rate securities decreases, which will decrease the book value of our equity.

Furthermore, shifts in the U.S. Treasury yield curve reflecting an increase in interest rates would also affect the yield required on our investments and therefore their value. For example, increasing interest rates would reduce the value of the fixed rate assets we hold at the time because the higher yields required by increased interest rates result in lower market prices on existing fixed rate assets in order to adjust the yield upward to meet the market, and vice versa. This would have similar effects on our real estate and other securities and loan portfolio and our financial position and operations to a change in interest rates generally.

Any hedging transactions that we enter into may limit our gains or result in losses.

We may use, when feasible and appropriate, derivatives to hedge a portion of our interest rate exposure, and this approach has certain risks, including the risk that losses on a hedge position will reduce the cash available for distribution to stockholders and that such losses may exceed the amount invested in such instruments. We have adopted a general policy with respect to the use of derivatives, which generally allows us to use derivatives where appropriate, but does not set forth specific policies and procedures or require that we hedge any specific amount of risk. From time to time, we may use derivative instruments, including forwards, futures, swaps and options, in our risk management strategy to limit the effects of changes in interest rates on our operations. A hedge may not be effective in eliminating all of the risks inherent in any particular position. Our profitability may be adversely affected during any period as a result of the use of derivatives.

There are limits to the ability of any hedging strategy to protect us completely against interest rate risks. When rates change, we expect the gain or loss on derivatives to be offset by a related but inverse change in the value of any items that we hedge. We

cannot assure you, however, that our use of derivatives will offset the risks related to changes in interest rates. We cannot assure you that our hedging strategy and the derivatives that we use will adequately offset the risk of interest rate volatility or that our hedging transactions will not result in losses. In addition, our hedging strategy may limit our flexibility by causing us to refrain from taking certain actions that would be potentially profitable but would cause adverse consequences under the terms of our hedging arrangements. The REIT provisions of the Internal Revenue Code limit our ability to hedge. In managing our hedge instruments, we consider the effect of the expected hedging income on the REIT qualification tests that limit the amount of gross income that a REIT may receive from hedging. We need to carefully monitor, and may have to limit, our hedging strategy to assure that we do not realize hedging income, or hold hedges having a value, in excess of the amounts that would cause us to fail the REIT gross income and asset tests. See "—Risks Related to Our Taxation as a REIT—Complying with the REIT requirements may limit our ability to hedge effectively."

Accounting for derivatives under GAAP is extremely complicated. Any failure by us to account for our derivatives properly in accordance with GAAP in our financial statements could adversely affect us. In addition, under applicable accounting standards, we may be required to treat some of our investments as derivatives, which could adversely affect our results of operations.

Maintenance of our 1940 Act exclusion imposes limits on our operations.

We intend to continue to conduct our operations so that neither we nor any of our subsidiaries are required to register as an investment company under the 1940 Act. We believe we will not be considered an investment company under Section 3(a)(1)(A) of the 1940 Act because we will not engage primarily, or hold ourselves out as being engaged primarily, in the business of investing, reinvesting or trading in securities. However, under Section 3(a)(1)(C) of the 1940 Act, because we are a holding company that will conduct its businesses primarily through wholly owned and majority owned subsidiaries, the securities issued by our subsidiaries that are excluded from the definition of "investment company" under Section 3(c)(1) or Section 3(c)(7) of the 1940 Act, together with any other investment securities we may own, may not have a combined value in excess of 40% of the value of our total assets (exclusive of U.S. Government securities and cash items) on an unconsolidated basis, unless another exclusion from the definition of "investment company" is available to us. For purposes of the foregoing, we currently treat our interest in our SLS Servicer Advance Investment and our subsidiaries that hold consumer loans as investment securities because these subsidiaries presently rely on the exclusion provided by Section 3(c)(7) of the 1940 Act. The 40% test under Section 3(a)(1)(C) of the 1940 Act limits the types of businesses in which we may engage through our subsidiaries. In addition, the assets we and our subsidiaries may originate or acquire are limited by the provisions of the 1940 Act and the rules and regulations promulgated under the 1940 Act, which may adversely affect our business.

If the value of securities issued by our subsidiaries that are excluded from the definition of "investment company" by Section 3(c)(1) or 3(c)(7) of the 1940 Act, together with any other investment securities we own, exceeds the 40% test under Section 3(a)(1)(C) of the 1940 Act (e.g., the value of our interests in the taxable REIT subsidiaries that hold Servicer Advance Investments and are not excluded from the definition of "investment company" by Section 3(c)(5)(A), (B) or (C) of the 1940 Act increases significantly in proportion to the value of our other assets), or if one or more of such subsidiaries fail to maintain an exclusion or exception from the 1940 Act, we could, among other things, be required either (a) to substantially change the manner in which we conduct our operations to avoid being required to register as an investment company or (b) to register as an investment company under the 1940 Act, either of which could have an adverse effect on us and the market price of our securities. As discussed above, for purposes of the foregoing, we generally treat our interests in our SLS Servicer Advance Investment and our subsidiaries that hold consumer loans as investment securities because these subsidiaries presently rely on the exclusion provided by Section 3(c)(7) of the 1940 Act. If we or any of our subsidiaries were required to register as an investment company under the 1940 Act, the registered entity would become subject to substantial regulation with respect to capital structure (including the ability to use leverage), management, operations, transactions with affiliated persons (as defined in the 1940 Act), portfolio composition, including restrictions with respect to diversification and industry concentration, compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would significantly change our operations.

Failure to maintain an exclusion would require us to significantly restructure our investment strategy. For example, because affiliate transactions are generally prohibited under the 1940 Act, we would not be able to enter into transactions with any of our affiliates if we are required to register as an investment company, and we might be required to terminate our Management Agreement and any other agreements with affiliates, which could have a material adverse effect on our ability to operate our business and pay distributions. If we were required to register us as an investment company but failed to do so, we would be prohibited from engaging in our business, and criminal and civil actions could be brought against us. In addition, our contracts would be unenforceable unless a court required enforcement, and a court could appoint a receiver to take control of us and liquidate our business.

For purposes of the foregoing, we treat our interests in certain of our wholly owned and majority owned subsidiaries, which constitute more than 60% of the value of our adjusted total assets on an unconsolidated basis, as non-investment securities because such subsidiaries qualify for exclusion from the definition of an investment company under the 1940 Act pursuant to Section 3(c)

(5)(C) of the 1940 Act. The Section 3(c)(5)(C) exclusion is available for entities "primarily engaged" in the business of "purchasing or otherwise acquiring mortgages and other liens on and interests in real estate." The Section 3(c)(5)(C) exclusion generally requires that at least 55% of these subsidiaries' assets must comprise qualifying real estate assets and at least 80% of each of their portfolios must comprise qualifying real estate assets and real estate-related assets under the 1940 Act. We expect each of our subsidiaries relying on Section 3(c)(5)(C) to rely on guidance published by the SEC staff or on our analyses of such guidance to determine which assets are qualifying real estate assets and real estate-related assets. However, the SEC's guidance was issued in accordance with factual situations that may be substantially different from the factual situations each of our subsidiaries may face, and much of the guidance was issued more than 20 years ago. No assurance can be given that the SEC staff will concur with the classification of each of our subsidiaries' assets. In addition, the SEC staff may, in the future, issue further guidance that may require us to re-classify some of our subsidiaries' assets for purposes of qualifying for an exclusion from regulation under the 1940 Act. For example, the SEC and its staff have not published guidance with respect to the treatment of whole pool Non-Agency RMBS for purposes of the Section 3(c)(5)(C) exclusion. Accordingly, based on our own judgment and analysis of the guidance from the SEC and its staff identifying Agency whole pool certificates as qualifying real estate assets under Section 3(c)(5)(C), we treat whole pool Non-Agency RMBS issued with respect to an underlying pool of mortgage loans in which our subsidiary relying on Section 3(c)(5)(C) holds all of the certificates issued by the pool as qualifying real estate assets. Based on our own judgment and analysis of the guidance from the SEC and its staff with respect to analogous assets, we treat Excess MSRs for which we do not own the related servicing rights as real estate-related assets for purposes of satisfying the 80% test under the Section 3(c)(5)(C) exclusion. If we are required to re-classify any of our subsidiaries' assets, including those subsidiaries holding whole pool Non-Agency RMBS and/or Excess MSRs, such subsidiaries may no longer be in compliance with the exclusion from the definition of an "investment company" provided by Section 3(c)(5)(C) of the 1940 Act, and in turn, we may not satisfy the requirements to avoid falling within the definition of an "investment company" provided by Section 3(a)(1)(C). To the extent that the SEC staff publishes new or different guidance or disagrees with our analysis with respect to any assets of our subsidiaries we have determined to be qualifying real estate assets or real estate-related assets, we may be required to adjust our strategy accordingly. In addition, we may be limited in our ability to make certain investments and these limitations could result in a subsidiary holding assets we might wish to sell or selling assets we might wish to hold.

In August 2011, the SEC issued a concept release soliciting public comments on a wide range of issues relating to companies engaged in the business of acquiring mortgages and mortgage-related instruments and that rely on Section 3(c)(5)(C) of the 1940 Act. Therefore, there can be no assurance that the laws and regulations governing the 1940 Act status of REITs, or guidance from the SEC or its staff regarding the Section 3(c)(5)(C) exclusion, will not change in a manner that adversely affects our operations. If we or our subsidiaries fail to maintain an exclusion or exception from the 1940 Act, we could, among other things, be required either to (a) change the manner in which we conduct our operations to avoid being required to register as an investment company, (b) effect sales of our assets in a manner that, or at a time when, we would not otherwise choose to do so, or (c) register as an investment company, any of which could negatively affect the value of our common stock, the sustainability of our business model, and our ability to make distributions. In addition, if we or any of our subsidiaries were required to register as an investment company under the 1940 Act, the registered entity would become subject to substantial regulation with respect to capital structure (including the ability to use leverage), management, operations, transactions with affiliated persons (as defined in the 1940 Act), portfolio composition, including restrictions with respect to diversification and industry concentration, compliance with reporting, record keeping, voting, proxy disclosure and other rules and regulations that would significantly change our operations.

Rapid changes in the values of our assets may make it more difficult for us to maintain our qualification as a REIT or our exclusion from the 1940 Act.

If the market value or income potential of qualifying assets for purposes of our qualification as a REIT or our exclusion from registration as an investment company under the 1940 Act declines as a result of increased interest rates, changes in prepayment rates or other factors, or the market value or income from non-qualifying assets increases, we may need to increase our investments in qualifying assets and/or liquidate our non-qualifying assets to maintain our REIT qualification or our exclusion from registration under the 1940 Act. If the change in market values or income occurs quickly, this may be especially difficult to accomplish. This difficulty may be exacerbated by the illiquid nature of any non-qualifying assets we may own. We may have to make investment decisions that we otherwise would not make absent the intent to maintain our qualification as a REIT and exclusion from registration under the 1940 Act.

We are subject to significant competition, and we may not compete successfully.

We are subject to significant competition in seeking investments. We compete with other companies, including other REITs, insurance companies and other investors, including funds and companies affiliated with our Manager. Some of our competitors have greater resources than we possess or have greater access to capital or various types of financing structures than are available to us, and we may not be able to compete successfully for investments or provide attractive investment returns relative to our competitors. These competitors may be willing to accept lower returns on their investments and, as a result, our profit margins

could be adversely affected. Furthermore, competition for investments that are suitable for us, including, but not limited to, interests in MSRs, may lead to decreased availability, higher market prices and decreased returns available from such investments, which may further limit our ability to generate our desired returns. We cannot assure you that other companies will not be formed that compete with us for investments or otherwise pursue investment strategies similar to ours or that we will be able to compete successfully against any such companies.

The valuations of our assets are subject to uncertainty because most of our assets are not traded in an active market.

There is not anticipated to be an active market for most of the assets in which we will invest. In the absence of market comparisons, we will use other pricing methodologies, including, for example, models based on assumptions regarding expected trends, historical trends following market conditions believed to be comparable to the then current market conditions and other factors believed at the time to be likely to influence the potential resale price of, or the potential cash flows derived from, an investment. Such methodologies may not prove to be accurate and any inability to accurately price assets may result in adverse consequences for us. A valuation is only an estimate of value and is not a precise measure of realizable value. Ultimate realization of the market value of a private asset depends to a great extent on economic and other conditions beyond our control. Further, valuations do not necessarily represent the price at which a private investment would sell since market prices of private investments can only be determined by negotiation between a willing buyer and seller. If we were to liquidate a particular private investment, the realized value may be more than or less than the valuation of such asset as carried on our books.

Changes in accounting rules could occur at any time and could impact us in significantly negative ways that we are unable to predict or protect against.

As has been widely publicized, the SEC, the Financial Accounting Standards Board (the "FASB") and other regulatory bodies that establish the accounting rules applicable to us have recently proposed or enacted a wide array of changes to accounting rules. Moreover, in the future these regulators may propose additional changes that we do not currently anticipate. Changes to accounting rules that apply to us could significantly impact our business or our reported financial performance in negative ways that we cannot predict or protect against. We cannot predict whether any changes to current accounting rules will occur or what impact any codified changes will have on our business, results of operations, liquidity or financial condition, directly or through their impact on our Servicing Partners or counterparties.

A prolonged economic slowdown, a lengthy or severe recession, or declining real estate values could harm our operations.

We believe the risks associated with our business are more severe during periods in which an economic slowdown or recession is accompanied by declining real estate values, as was the case in 2008. Declining real estate values generally reduce the level of new mortgage loan originations, since borrowers often use increases in the value of their existing properties to support the purchase of, or investment in, additional properties. Borrowers may also be less able to pay principal and interest on our loans or the loans underlying our securities, interests in MSRs and servicer advances, if the real estate economy weakens. Further, declining real estate values significantly increase the likelihood that we will incur losses on our investments in the event of default because the value of our collateral may be insufficient to cover our basis. Any sustained period of increased payment delinquencies, foreclosures or losses could adversely affect our net interest income from the assets in our portfolio, which would significantly harm our revenues, results of operations, financial condition, liquidity, business prospects and our ability to make distributions to our stockholders.

Compliance with changing regulation of corporate governance and public disclosure has and will continue to result in increased compliance costs and pose challenges for our management team.

Many aspects of the Dodd-Frank Act are subject to rulemaking and will take effect over several years, making it difficult to anticipate the overall financial impact on us and, more generally, the financial services and mortgage industries. Additionally, we cannot predict whether there will be additional proposed laws or reforms that would affect us, whether or when such changes may be adopted, how such changes may be interpreted and enforced or how such changes may affect us. However, the costs of complying with any additional laws or regulations could have a material effect on our financial condition and results of operations.

We have engaged and may in the future engage in a number of acquisitions and we may be unable to successfully integrate the acquired assets and assumed liabilities in connection with such acquisitions.

As part of our business strategy, we regularly evaluate acquisitions of what we believe are complementary assets. Identifying and achieving the anticipated benefits of such acquisitions is subject to a number of uncertainties, including, without limitation, whether we are able to acquire the assets, within our parameters, integrate the acquired assets and manage the assumed liabilities efficiently. It is possible that the integration process could take longer than anticipated and could result in additional and unforeseen expenses,

the disruption of our ongoing business, processes and systems, or inconsistencies in standards, controls, procedures, practices and policies, any of which could adversely affect our ability to achieve the anticipated benefits of such acquisitions. There may be increased risk due to integrating the assets into our financial reporting and internal control systems. Difficulties in adding the assets into our business could also result in the loss of contract counterparties or other persons with whom we conduct business and potential disputes or litigation with contract counterparties or other persons with whom we or such counterparties conduct business. We could also be adversely affected by any issues attributable to the related seller's operations that arise or are based on events or actions that occurred prior to the closing of such acquisitions. Completion of the integration process is subject to a number of uncertainties, and no assurance can be given that the anticipated benefits will be realized in their entirety or at all or, if realized, the timing of their realization. Failure to achieve these anticipated benefits could result in increased costs or decreases in the amount of expected revenues and could adversely affect our future business, financial condition, operating results and cash flows. Due to the costs of engaging in a number of acquisitions, we may also have difficulty completing more acquisitions in the future.

There may be difficulties with integrating the loans underlying MSR acquisitions involving servicing transfers into the successor servicer's servicing platform, which could have a material adverse effect on our results of operations, financial condition and liquidity.

In connection with certain MSR acquisitions, servicing is transferred from the seller to a subservicer appointed by us. The ability to integrate and service the assets acquired will depend in large part on the success of our subservicer's integration of expanded servicing capabilities with its current operations. We may fail to realize some or all of the anticipated benefits of these transactions if the integration process takes longer, or is more costly, than expected. Potential difficulties we may encounter during the integration process with the assets acquired in MSR acquisitions involving servicing transfers include, but are not limited to, the following:

- the integration of the portfolio into our subservicer's information technology platforms and servicing systems;
- the quality of servicing during any interim servicing period after we purchase the portfolio but before our subservicer assumes servicing obligations from the seller or its agents;
- the disruption to our ongoing businesses and distraction of our management teams from ongoing business concerns;
- incomplete or inaccurate files and records;
- the retention of existing customers;
- the creation of uniform standards, controls, procedures, policies and information systems;
- the occurrence of unanticipated expenses; and
- potential unknown liabilities associated with the transactions, including legal liability related to origination and servicing prior to the acquisition.

Our failure to meet the challenges involved in successfully integrating the assets acquired in MSR acquisitions involving servicing transfers with our current business could impair our operations. For example, it is possible that the data our subservicer acquires upon assuming the direct servicing obligations for the loans may not transfer from the seller's platform to its systems properly. This may result in data being lost, key information not being locatable on our subservicer's systems, or the complete failure of the transfer. If our employees are unable to access customer information easily, or is unable to produce originals or copies of documents or accurate information about the loans, collections could be affected significantly, and our subservicer may not be able to enforce its right to collect in some cases. Similarly, collections could be affected by any changes to our subservicer's collections practices, the restructuring of any key servicing functions, transfer of files and other changes that occur as a result of the transfer of servicing obligations from the seller to our subservicer.

We are responsible for certain of HLSS's contingent and other corporate liabilities.

Under the HLSS acquisition agreement, we have assumed and are responsible for the payment of HLSS's contingent and other liabilities, including: (i) liabilities for litigation relating to, arising out of or resulting from certain lawsuits in which HLSS is named as the defendant, (ii) HLSS's tax liabilities, (iii) HLSS's corporate liabilities, (iv) generally any actions with respect to the HLSS Acquisition brought by any third party and (v) payments under contracts. We currently cannot estimate the amount we may ultimately be responsible for as a result of assuming substantially all of HLSS's contingent and other corporate liabilities. The amount for which we are ultimately responsible may be material and have a material adverse effect on our business, financial condition, results of operations and liquidity. In addition, certain claims and lawsuits may require significant costs to defend and resolve and may divert management's attention away from other aspects of operating and managing our business, each of which could materially and adversely affect our business, financial condition, results of operations and liquidity.

We cannot guarantee that we will not receive further regulatory inquiries or be subject to litigation regarding the subject matter of the subpoenas or matters relating thereto, or that existing inquires, or, should they occur, any future regulatory inquiries or litigation, will not consume internal resources, result in additional legal and consulting costs or negatively impact our stock price.

We could be materially and adversely affected by past events, conditions or actions with respect to HLSS or Ocwen.

HLSS acquired assets and assumed liabilities could be adversely affected as a result of events or conditions that occurred or existed before the closing of the HLSS Acquisition. Adverse changes in the assets or liabilities we have acquired or assumed, respectively, as part of the HLSS Acquisition, could occur or arise as a result of actions by HLSS or Ocwen, legal or regulatory developments, including the emergence or unfavorable resolution of pre-acquisition loss contingencies, deteriorating general business, market, industry or economic conditions, and other factors both within and beyond the control of HLSS or Ocwen. We are subject to a variety of risks as a result of our dependence on Servicing Partners, including, without limitation, the potential loss of all of the value of our Excess MSRs in the event that the servicer of the underlying loans is terminated by the mortgage loan owner or RMBS bondholders. A significant decline in the value of HLSS assets or a significant increase in HLSS liabilities we have acquired could adversely affect our future business, financial condition, cash flows and results of operations. HLSS is subject to a number of other risks and uncertainties, including regulatory investigations and legal proceedings against HLSS, and others with whom HLSS conducted business. Moreover, any insurance proceeds received with respect to such matters may be inadequate to cover the associated losses. Adverse developments at Ocwen, including liquidity issues, ratings downgrades, defaults under debt agreements, servicer rating downgrades, failure to comply with the terms of PSAs, termination under PSAs, Ocwen bankruptcy proceedings and additional regulatory issues and settlements, including those described above, could have a material adverse effect on us. See "—We rely heavily on our Servicing Partners to achieve our investment objective and have no direct ability to influence their performance."

Our ability to borrow may be adversely affected by the suspension or delay of the rating of the notes issued under certain of our financing facilities by the credit agency providing the ratings.

Certain of our financing facilities are rated by one rating agency and we may sponsor financing facilities in the future that are rated by credit agencies. The related agency or rating agencies may suspend rating notes backed by servicer advances, MSRs, Excess MSRs and our other investments at any time. Rating agency delays may result in our inability to obtain timely ratings on new notes, or amend or modify other financing facilities which could adversely impact the availability of borrowings or the interest rates, advance rates or other financing terms and adversely affect our results of operations and liquidity. Further, if we are unable to secure ratings from other agencies, limited investor demand for unrated notes could result in further adverse changes to our liquidity and profitability.

A downgrade of certain of the notes issued under our financing facilities could cause such notes to become due and payable prior to their expected repayment date/maturity date, which could have a material adverse effect on our business, financial condition, results of operations and liquidity.

Regulatory scrutiny regarding foreclosure processes could lengthen foreclosure timelines, which could increase advances and materially and adversely affect our business, financial condition, results of operations and liquidity.

When a residential mortgage loan is in foreclosure, the servicer is generally required to continue to advance delinquent principal and interest to the securitization trust and to also make advances for delinquent taxes and insurance and foreclosure costs and the upkeep of vacant property in foreclosure to the extent it determines that such amounts are recoverable. These servicer advances are generally recovered when the delinquency is resolved. Foreclosure moratoria or other actions that lengthen the foreclosure process increase the amount of servicer advances, lengthen the time it takes for reimbursement of such advances and increase the costs incurred during the foreclosure process. In addition, servicer advance financing facilities generally contain provisions that limit the eligibility of servicer advances to be financed based on the length of time that servicer advances are outstanding, and, as a result, an increase in foreclosure timelines could further increase the amount of servicer advances that need to be funded from the related servicer's own capital. Such increases in foreclosure timelines could increase the need for capital to fund servicer advances, which would increase our interest expense, delay the collection of interest income or servicing revenue until the foreclosure has been resolved and, therefore, reduce the cash that we have available to pay our operating expenses or to pay dividends. For more information, see "—We could be materially and adversely affected by past events, conditions or actions with respect to HLSS or Ocwen" above.

Certain of our Servicing Partners have triggered termination events or events of default under some PSAs underlying the MSRs with respect to which we are entitled to the basic fee component or Excess MSRs.

In certain of these circumstances, the related Servicing Partner may be terminated without any right to compensation for its loss, other than the right to be reimbursed for any outstanding servicer advances as the related loans are brought current, modified, liquidated or charged off. So long as we are in compliance with our obligations under our servicing agreements and purchase agreements, if we or one of our Servicing Partners is terminated as servicer, we may have the right to receive an indemnification payment from the applicable Servicing Partner, even if such termination related to servicer termination events or events of default

existing at the time of any transaction with such Servicing Partner. If one of our Servicing Partners is terminated as servicer under a PSA, we will lose any investment related to such Servicing Partner's MSRs. If we or such Servicing Partner is terminated as servicer with respect to a PSA and we are unable to enforce our contractual rights against such Servicing Partner, or if such Servicing Partner is unable to make any resulting indemnification payments to us, if any such payment is due and payable, it may have a material adverse effect on our financial condition, results of operations, ability to make distributions, liquidity and financing arrangements, including our servicer advance financing facilities, and may make it more difficult for us to acquire additional interests in MSRs in the future.

Representations and warranties made by us in our collateralized borrowings and loan sale agreements may subject us to liability.

Our financing facilities require us to make certain representations and warranties regarding the assets that collateralize the borrowings. Although we perform due diligence on the assets that we acquire, certain representations and warranties that we make in respect of such assets may ultimately be determined to be inaccurate. In addition, our loan sale agreements require us to make representations and warranties to the purchaser regarding the loans that were sold. Such representations and warranties may include, but are not limited to, issues such as the validity of the lien; the absence of delinquent taxes or other liens; the loans' compliance with all local, state and federal laws and the delivery of all documents required to perfect title to the lien.

In the event of a breach of a representation or warranty, we may be required to repurchase affected loans, make indemnification payments to certain indemnified parties or address any claims associated with such breach. Further, we may have limited or no recourse against the seller from whom we purchased the loans. Such recourse may be limited due to a variety of factors, including the absence of a representation or warranty from the seller corresponding to the representation provided by us or the contractual expiration thereof. A breach of a representation or warranty could adversely affect our results of operations and liquidity.

Our ability to exercise our cleanup call rights may be limited or delayed if a third party contests our ability to exercise our cleanup call rights, if the related securitization trustee refuses to permit the exercise of such rights, or if a related party is subject to bankruptcy proceedings.

Certain servicing contracts permit more than one party to exercise a cleanup call-meaning the right of a party to collapse a securitization trust by purchasing all of the remaining loans held by the securitization trust pursuant to the terms set forth in the applicable servicing agreement. While the servicers from which we acquired our cleanup call rights (or other servicers from which these servicers acquired MSRs) may be named as the party entitled to exercise such rights, certain third parties may also be permitted to exercise such rights. If any such third party exercises a cleanup call, we could lose our ability to exercise our cleanup call right and, as a result, lose the ability to generate positive returns with respect to the related securitization transaction. In addition, another party could impair our ability to exercise our cleanup call rights by contesting our rights (for example, by claiming that they hold the exclusive cleanup call right with respect to the applicable securitization trust). Moreover, because the ability to exercise a cleanup call right is governed by the terms of the applicable servicing agreement, any ambiguous or conflicting language regarding the exercise of such rights in the agreement may make it more difficult and costly to exercise a cleanup call right. Furthermore, certain servicing contracts provide cleanup call rights to a servicer currently subject to bankruptcy proceedings from which our servicers have acquired MSRs. While, notwithstanding the related bankruptcy proceedings, it is possible that we will be able to exercise the related cleanup calls within our desired time frame, our ability to exercise such rights may be significantly delayed or impaired by the applicable securitization trustee or bankruptcy estate or any additional steps required because of the bankruptcy process. Finally, many of our call rights are not currently exercisable and may not become exercisable for a period of years. As a result, our ability to realize the benefits from these rights will depend on a number of factors at the time they become exercisable many of which are outside our control, including interest rates, conditions in the capital markets and conditions in the residential mortgage market.

The exercise of cleanup calls could negatively impact our interests in MSRs.

The exercise of cleanup call rights results in the termination of the MSRs on the loans held within the related securitization trusts. To the extent we own interests in MSRs with respect to loans held within securitization trusts where cleanup call rights are exercised, whether they are exercised by us or a third party, the value of our interests in those MSRs will likely be reduced to zero and we could incur losses and reduced cash flows from any such interests.

New Residential's subsidiary New Residential Mortgage LLC is or may become subject to significant state and federal regulations.

A subsidiary of New Residential, New Residential Mortgage LLC ("NRM"), has obtained or is currently in the process of obtaining applicable qualifications, licenses and approvals to own Non-Agency and certain Agency MSRs in the United States and certain

other jurisdictions. As a result of NRM's current and expected approvals, NRM is subject to extensive and comprehensive regulation under federal, state and local laws in the United States. These laws and regulations do, and may in the future significantly affect the way that NRM does business, and subject NRM and New Residential to additional costs and regulatory obligations, which could impact our financial results.

NRM's business may become subject to increasing regulatory oversight and scrutiny in the future as it continues seeking and obtaining additional approvals to hold MSRs, which may lead to regulatory investigations or enforcement, including both formal and informal inquiries, from various state and federal agencies as part of those agencies' oversight of the mortgage servicing business. An adverse result in governmental investigations or examinations or private lawsuits, including purported class action lawsuits, may adversely affect NRM's and our financial results or result in serious reputational harm. In addition, a number of participants in the mortgage servicing industry have been the subject of purported class action lawsuits and regulatory actions by state or federal regulators, and other industry participants have been the subject of actions by state Attorneys General.

Failure of New Residential's subsidiary, NRM, to obtain or maintain certain licenses and approvals required for NRM to purchase and own MSRs could prevent us from purchasing or owning MSRs, which could limit our potential business activities.

State and federal laws require a business to hold certain state licenses prior to acquiring MSRs. NRM is currently licensed or otherwise eligible to hold MSRs in each applicable state. As a licensee in such states, NRM may become subject to administrative actions in those states for failing to satisfy ongoing license requirements or for other state law violations, the consequences of which could include fines or suspensions or revocations of NRM's licenses by applicable state regulatory authorities, which could in turn result in NRM becoming ineligible to hold MSRs in the related jurisdictions. We could be delayed or prohibited from conducting certain business activities if we do not maintain necessary licenses in certain jurisdictions. We cannot assure you that we will be able to maintain all of the required state licenses.

Additionally, NRM has received approval from FHA to hold MSRs associated with FHA-insured mortgage loans, from Fannie Mae to hold MSRs associated with loans owned by Fannie Mae, and from Freddie Mac to hold MSRs associated with loans owned by Freddie Mac. NRM may seek approval from Ginnie Mae to become an approved Ginnie Mae Issuer, which would make NRM eligible to hold MSRs associated with Ginnie Mae securities. As an approved Fannie Mae Servicer, Freddie Mac Servicer and FHA Lender, NRM is required to conduct aspects of its operations in accordance with applicable policies and guidelines published by FHA, Fannie Mae and Freddie Mac in order to maintain those approvals. Should NRM fail to maintain FHA, Fannie Mae or Freddie Mac approval, or fail to obtain approval from Ginnie Mae, NRM may be unable to purchase certain types of MSRs, which could limit our potential business activities.

NRM is currently subject to various, and may become subject to additional information reporting and other regulatory requirements, and there is no assurance that we will be able to satisfy those requirements or other ongoing requirements applicable to mortgage loan servicers under applicable state and federal laws. Any failure by NRM to comply with such state or federal regulatory requirements may expose us to administrative or enforcement actions, license or approval suspensions or revocations or other penalties that may restrict our business and investment options, any of which could restrict our business and investment options, adversely impact our business and financial results and damage our reputation.

We may become subject to fines or other penalties based on the conduct of mortgage loan originators and brokers that originate residential mortgage loans related to MSRs that we acquire, and the third-party servicers we may engage to subservice the loans underlying MSRs we acquire.

We have acquired MSRs and may in the future acquire additional MSRs from third-party mortgage loan originators, brokers or other sellers, and we therefore are or will become dependent on such third parties for the related mortgage loans' compliance with applicable law, and on third-party mortgage servicers, including our Servicing Partners to perform the day-to-day servicing on the mortgage loans underlying any such MSRs. Mortgage loan originators and brokers are subject to strict and evolving consumer protection laws and other legal obligations with respect to the origination of residential mortgage loans. These laws and regulations include the residential mortgage servicing standards, "ability-to-repay" and "qualified mortgage" regulations promulgated by the CFPB, which became effective in 2014. In addition, there are various other federal, state, and local laws and regulations that are intended to discourage predatory lending practices by residential mortgage loan originators. These laws may be highly subjective and open to interpretation and, as a result, a regulator or court may determine that that there has been a violation where an originator or servicer of mortgage loans reasonably believed that the law or requirement had been satisfied. Although we do not currently originate or directly service any mortgage loans, failure or alleged failure by originators or servicers to comply with these laws and regulations could subject us, as an investor in MSRs, to state or CFPB administrative proceedings, which could result in monetary penalties, license suspensions or revocations, or restrictions to our business, all of which could adversely impact our business and financial results and damage our reputation.

The final servicing rules promulgated by the CFPB to implement certain sections of the Dodd-Frank Act include provisions relating to, among other things, periodic billing statements and disclosures, responding to borrower inquiries and complaints, force-placed insurance, and adjustable rate mortgage interest rate adjustment notices. Further, the mortgage servicing rules require servicers to, among other things, make good faith early intervention efforts to notify delinquent borrowers of loss mitigation options, to implement specified loss mitigation procedures, and if feasible, exhaust all loss mitigation options before proceeding to foreclosure. Proposed updates to further refine these rules have been published and will likely lead to further changes in requirements applicable to servicing mortgage loans.

We do not currently engage in any day-to-day servicing operations, and instead engage third-party servicers to subservice mortgage loans relating to any MSRs we acquire. It is therefore possible that a third-party servicer's failure to comply with the new and evolving servicing protocols could adversely affect the value of the MSRs we acquire. Additionally, we may become subject to fines, penalties or civil liability based upon the conduct of any third-party servicer who services mortgage loans related to MSRs that we have acquired or will acquire in the future.

Investments in MSRs may expose us to additional risks.

We hold investments in MSRs. Our investments in MSRs may subject us to certain additional risks, including the following:

- We have limited experience acquiring MSRs and operating a servicer. Although ownership of MSRs and the operation of a servicer includes many of the same risks as our other target assets and business activities, including risks related to prepayments, borrower credit, defaults, interest rates, hedging, and regulatory changes, there can be no assurance that we will be able to successfully operate a servicer subsidiary and integrate MSR investments into our business operations.
- As of today, we rely on subservicers to subservice the mortgage loans underlying our MSRs on our behalf. We are generally responsible under the applicable Servicing Guidelines for any subservicer's non-compliance with any such applicable Servicing Guideline. In addition, there is a risk that our current subservicers will be unwilling or unable to continue subservicing on our behalf on terms favorable to us in the future. In such a situation, we may be unable to locate a replacement subservicer on favorable terms.
- NRM's existing approvals from government-related entities or federal agencies are subject to compliance with their respective servicing guidelines, minimum capital requirements, reporting requirements and other conditions that they may impose from time to time at their discretion. Failure to satisfy such guidelines or conditions could result in the unilateral termination of NRM's existing approvals or pending applications by one or more entities or agencies.
- NRM is presently licensed or otherwise eligible to hold MSRs in all states within the United States and the District of Columbia. Such state licenses may be suspended or revoked by a state regulatory authority, and we may as a result lose the ability to own MSRs under the regulatory jurisdiction of such state regulatory authority.
- Changes in minimum servicing compensation for Agency loans could occur at any time and could negatively impact the value of the income derived from any MSRs that we hold or may acquire in the future.
- Investments in MSRs are highly illiquid and subject to numerous restrictions on transfer and, as a result, there is risk that we would be unable to locate a willing buyer or get approval to sell any MSRs in the future should we desire to do so.

Our business, results of operations, financial condition and reputation could be adversely impacted if we are not able to successfully manage these or other risks related to investing and managing MSR investments.

Risks Related to Our Manager

We are dependent on our Manager and may not find a suitable replacement if our Manager terminates the Management Agreement.

None of our officers or other senior individuals who perform services for us (other than three part-time employees of NRM), is an employee of New Residential. Instead, these individuals are employees of our Manager. Accordingly, we are completely reliant on our Manager, which has significant discretion as to the implementation of our operating policies and strategies, to conduct our business. We are subject to the risk that our Manager will terminate the Management Agreement and that we will not be able to find a suitable replacement for our Manager in a timely manner, at a reasonable cost or at all. Furthermore, we are dependent on the services of certain key employees of our Manager whose compensation is partially or entirely dependent upon the amount of incentive or management compensation earned by our Manager and whose continued service is not guaranteed, and the loss of such services could adversely affect our operations.

On December 27, 2017, SoftBank announced that it completed the SoftBank Merger. In connection with the SoftBank Merger, Fortress operates within SoftBank as an independent business headquartered in New York. There can be no assurance that the SoftBank Merger will not have an impact on us or our relationship with the Manager.

There are conflicts of interest in our relationship with our Manager.

Our Management Agreement with our Manager was not negotiated between unaffiliated parties, and its terms, including fees payable, although approved by the independent directors of New Residential as fair, may not be as favorable to us as if they had been negotiated with an unaffiliated third party.

There are conflicts of interest inherent in our relationship with our Manager insofar as our Manager and its affiliates—including investment funds, private investment funds, or businesses managed by our Manager invest in real estate and other securities and loans, consumer loans and interests in MSRs and whose investment objectives overlap with our investment objectives. Certain investments appropriate for us may also be appropriate for one or more of these other investment vehicles. Certain members of our board of directors and employees of our Manager who are our officers also serve as officers and/or directors of these other entities. Although we have the same Manager, we may compete with entities affiliated with our Manager or Fortress for certain target assets. From time to time, affiliates of Fortress focus on investments in assets with a similar profile as our target assets that we may seek to acquire. These affiliates may have meaningful purchasing capacity, which may change over time depending upon a variety of factors, including, but not limited to, available equity capital and debt financing, market conditions and cash on hand. Fortress has two funds primarily focused on investing in Excess MSRs with approximately $0.6 billion in investments in aggregate. We have broad investment guidelines, and we have co-invested and may co-invest with Fortress funds or portfolio companies of private equity funds managed by our Manager (or an affiliate thereof) in a variety of investments. We also may invest in securities that are senior or junior to securities owned by funds managed by our Manager. Fortress funds generally have a fee structure similar to ours, but the fees actually paid will vary depending on the size, terms and performance of each fund.

Our Management Agreement with our Manager generally does not limit or restrict our Manager or its affiliates from engaging in any business or managing other pooled investment vehicles that invest in investments that meet our investment objectives. Our Manager intends to engage in additional real estate related management and real estate and other investment opportunities in the future, which may compete with us for investments or result in a change in our current investment strategy. In addition, our certificate of incorporation provides that if Fortress or an affiliate or any of their officers, directors or employees acquire knowledge of a potential transaction that could be a corporate opportunity, they have no duty, to the fullest extent permitted by law, to offer such corporate opportunity to us, our stockholders or our affiliates. In the event that any of our directors and officers who is also a director, officer or employee of Fortress or its affiliates acquires knowledge of a corporate opportunity or is offered a corporate opportunity, provided that this knowledge was not acquired solely in such person's capacity as a director or officer of New Residential and such person acts in good faith, then to the fullest extent permitted by law such person is deemed to have fully satisfied such person's fiduciary duties owed to us and is not liable to us if Fortress or its affiliates pursues or acquires the corporate opportunity or if such person did not present the corporate opportunity to us.

The ability of our Manager and its officers and employees to engage in other business activities, subject to the terms of our Management Agreement with our Manager, may reduce the amount of time our Manager, its officers or other employees spend managing us. In addition, we may engage (subject to our investment guidelines) in material transactions with our Manager or another entity managed by our Manager or one of its affiliates, which may include, but are not limited to, certain financing arrangements, purchases of debt, co-investments in interests in MSRs, consumer loans, and other assets that present an actual, potential or perceived conflict of interest. It is possible that actual, potential or perceived conflicts could give rise to investor dissatisfaction, litigation or regulatory enforcement actions. Appropriately dealing with conflicts of interest is complex and difficult, and our reputation could be damaged if we fail, or appear to fail, to deal appropriately with one or more potential, actual or perceived conflicts of interest. Regulatory scrutiny of, or litigation in connection with, conflicts of interest could have a material adverse effect on our reputation, which could materially adversely affect our business in a number of ways, including causing an inability to raise additional funds, a reluctance of counterparties to do business with us, a decrease in the prices of our equity securities and a resulting increased risk of litigation and regulatory enforcement actions.

The management compensation structure that we have agreed to with our Manager, as well as compensation arrangements that we may enter into with our Manager in the future (in connection with new lines of business or other activities), may incentivize our Manager to invest in high risk investments. In addition to its management fee, our Manager is currently entitled to receive incentive compensation. In evaluating investments and other management strategies, the opportunity to earn incentive compensation may lead our Manager to place undue emphasis on the maximization of earnings, including through the use of leverage, at the expense of other criteria, such as preservation of capital, in order to achieve higher incentive compensation. Investments with higher yield potential are generally riskier or more speculative than lower-yielding investments. Moreover, because our Manager receives compensation in the form of options in connection with the completion of our common equity

offerings, our Manager may be incentivized to cause us to issue additional common stock, which could be dilutive to existing stockholders. In addition, our Manager's management fee is not tied to our performance and may not sufficiently incentivize our Manager to generate attractive risk-adjusted returns for us.

It would be difficult and costly to terminate our Management Agreement with our Manager.

It would be difficult and costly for us to terminate our Management Agreement with our Manager. The Management Agreement may only be terminated annually upon (i) the affirmative vote of at least two-thirds of our independent directors, or by a vote of the holders of a simple majority of the outstanding shares of our common stock, that there has been unsatisfactory performance by our Manager that is materially detrimental to us or (ii) a determination by a simple majority of our independent directors that the management fee payable to our Manager is not fair, subject to our Manager's right to prevent such a termination by accepting a mutually acceptable reduction of fees. Our Manager will be provided 60 days' prior notice of any termination and will be paid a termination fee equal to the amount of the management fee earned by the Manager during the 12-month period preceding such termination. In addition, following any termination of the Management Agreement, our Manager may require us to purchase its right to receive incentive compensation at a price determined as if our assets were sold for their fair market value (as determined by an appraisal, taking into account, among other things, the expected future performance of the underlying investments) or otherwise we may continue to pay the incentive compensation to our Manager. These provisions may increase the effective cost to us of terminating the Management Agreement, thereby adversely affecting our ability to terminate our Manager without cause.

Our directors have approved broad investment guidelines for our Manager and do not approve each investment decision made by our Manager. In addition, we may change our investment strategy without a stockholder vote, which may result in our making investments that are different, riskier or less profitable than our current investments.

Our Manager is authorized to follow broad investment guidelines. Consequently, our Manager has great latitude in determining the types and categories of assets it may decide are proper investments for us, including the latitude to invest in types and categories of assets that may differ from those in which we currently invest. Our directors will periodically review our investment guidelines and our investment portfolio. However, our board does not review or pre-approve each proposed investment or our related financing arrangements. In addition, in conducting periodic reviews, the directors rely primarily on information provided to them by our Manager. Furthermore, transactions entered into by our Manager may be difficult or impossible to unwind by the time they are reviewed by the directors, even if the transactions contravene the terms of the Management Agreement. In addition, we may change our investment strategy, including our target asset classes, without a stockholder vote.

Our investment strategy may evolve in light of existing market conditions and investment opportunities, and this evolution may involve additional risks depending upon the nature of the assets in which we invest and our ability to finance such assets on a short or long-term basis. Investment opportunities that present unattractive risk-return profiles relative to other available investment opportunities under particular market conditions may become relatively attractive under changed market conditions, and changes in market conditions may therefore result in changes in the investments we target. Decisions to make investments in new asset categories present risks that may be difficult for us to adequately assess and could therefore reduce our ability to pay dividends on our common stock or have adverse effects on our liquidity, results of operations or financial condition. A change in our investment strategy may also increase our exposure to interest rate, foreign currency, real estate market or credit market fluctuations and expose us to new legal and regulatory risks. In addition, a change in our investment strategy may increase our use of non-match-funded financing, increase the guarantee obligations we agree to incur or increase the number of transactions we enter into with affiliates. Our failure to accurately assess the risks inherent in new asset categories or the financing risks associated with such assets could adversely affect our results of operations, liquidity and financial condition.

Our Manager will not be liable to us for any acts or omissions performed in accordance with the Management Agreement, including with respect to the performance of our investments.

Pursuant to our Management Agreement, our Manager will not assume any responsibility other than to render the services called for thereunder in good faith and will not be responsible for any action of our board of directors in following or declining to follow its advice or recommendations. Our Manager, its members, managers, officers and employees will not be liable to us or any of our subsidiaries, to our board of directors, or our or any subsidiary's stockholders or partners for any acts or omissions by our Manager, its members, managers, officers or employees, except by reason of acts constituting bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement. We shall, to the full extent lawful, reimburse, indemnify and hold our Manager, its members, managers, officers and employees and each other person, if any, controlling our Manager harmless of and from any and all expenses, losses, damages, liabilities, demands, charges and claims of any nature whatsoever (including attorneys' fees) in respect of or arising from any acts or omissions of an indemnified party made in good faith in the performance of our Manager's duties under our Management Agreement and not constituting such indemnified

party's bad faith, willful misconduct, gross negligence or reckless disregard of our Manager's duties under our Management Agreement.

Our Manager's due diligence of investment opportunities or other transactions may not identify all pertinent risks, which could materially affect our business, financial condition, liquidity and results of operations.

Our Manager intends to conduct due diligence with respect to each investment opportunity or other transaction it pursues. It is possible, however, that our Manager's due diligence processes will not uncover all relevant facts, particularly with respect to any assets we acquire from third parties. In these cases, our Manager may be given limited access to information about the investment and will rely on information provided by the target of the investment. In addition, if investment opportunities are scarce, the process for selecting bidders is competitive, or the timeframe in which we are required to complete diligence is short, our ability to conduct a due diligence investigation may be limited, and we would be required to make investment decisions based upon a less thorough diligence process than would otherwise be the case. Accordingly, investments and other transactions that initially appear to be viable may prove not to be over time, due to the limitations of the due diligence process or other factors.

The ownership by our executive officers and directors of shares of common stock, options, or other equity awards of entities either owned by Fortress funds managed by affiliates of our Manager or managed by our Manager may create, or may create the appearance of, conflicts of interest.

Some of our directors, officers and other employees of our Manager hold positions with entities either owned by Fortress funds managed by affiliates of our Manager or managed by our Manager and own such entities' common stock, options to purchase such entities' common stock or other equity awards. Such ownership may create, or may create the appearance of, conflicts of interest when these directors, officers and other employees are faced with decisions that could have different implications for such entities than they do for us.

Risks Related to the Financial Markets

The impact of legislative and regulatory changes on our business, as well as the market and industry in which we operate, are uncertain and may adversely affect our business.

The Dodd-Frank Act was enacted in July 2010, which affects almost every aspect of the U.S. financial services industry, including certain aspects of the markets in which we operate, and imposes new regulations on us and how we conduct our business. As we describe in more detail below, it affects our business in many ways but it is difficult at this time to know exactly how or what the cumulative impact will be.

Generally, the Dodd-Frank Act strengthens the regulatory oversight of securities and capital markets activities by the SEC and established the CFPB to enforce laws and regulations for consumer financial products and services. It requires market participants to undertake additional record-keeping activities and imposes many additional disclosure requirements for public companies.

Moreover, the Dodd-Frank Act contains a risk retention requirement for all asset-backed securities, which we issue. In October 2014, final rules were promulgated by a consortium of regulators implementing the final credit risk retention requirements of Section 941(b) of the Dodd-Frank Act. Under these "Risk Retention Rules," sponsors of both public and private securitization transactions or one of their majority owned affiliates are required to retain at least 5% of the credit risk of the assets collateralizing such securitization transactions. These regulations generally prohibit the sponsor or its affiliate from directly or indirectly hedging or otherwise selling or transferring the retained interest for a specified period of time, depending on the type of asset that is securitized. Certain limited exemptions from these rules are available for certain types of assets, which may be of limited use under our current market practices. In any event, compliance with these new Risk Retention Rules has increased and will likely continue to increase the administrative and operational costs of asset securitization.

Further, the Dodd-Frank Act imposes mandatory clearing and exchange-trading requirements on many derivatives transactions (including formerly unregulated over-the-counter derivatives) in which we may engage. In addition, the Dodd-Frank Act is expected to increase the margin requirements for derivatives transactions that are not subject to mandatory clearing requirements, which may impact our activities. The Dodd-Frank Act also creates new categories of regulated market participants, such as "swap-dealers," "security-based swap dealers," "major swap participants" and "major security-based swap participants," and subjects or may subject these regulated entities to significant new capital, registration, recordkeeping, reporting, disclosure, business conduct and other regulatory requirements that will give rise to new administrative costs.

Also, under the Dodd-Frank Act, financial regulators belonging to the Financial Stability Oversight Council are authorized to designate nonbank financial institutions and financial activities as systemically important to the economy and therefore subject

to closer regulatory supervision. Such systemically important financial institutions, or "SIFIs," may be required to operate with greater safety margins, such as higher levels of capital, and may face further limitations on their activities. The determination of what constitutes a SIFI is evolving, and in time SIFIs may include large investment funds and even asset managers. There can be no assurance that we will not be deemed to be a SIFI or engage in activities later determined to be systemically important and thus subject to further regulation.

Even new requirements that are not directly applicable to us may still increase our costs of entering into transactions with the parties to whom the requirements are directly applicable. For instance, if the exchange-trading and trade reporting requirements lead to reductions in the liquidity of derivative transactions we may experience higher pricing or reduced availability of derivatives, or the reduction of arbitrage opportunities for us, which could adversely affect the performance of certain of our trading strategies. Importantly, many key aspects of the changes imposed by the Dodd-Frank Act will continue to be established by various regulatory bodies and other groups over the next several years.

In addition, there is significant uncertainty regarding the legislative and regulatory outlook for the Dodd-Frank Act and related statutes governing financial services, which may include Dodd-Frank Act amendments, mortgage finance and housing policy in the U.S., and the future structure and responsibilities of regulatory agencies such as the CFPB and the FHFA. For example, in March 2018, the U.S. Senate approved banking reform legislation intended to ease some of the restrictions imposed by the Dodd-Frank Act. Due to this uncertainty, it is not possible for us to predict how future legislative or regulatory proposals by Congress and the Administration will affect us or the market and industry in which we operate, and there can be no assurance that the resulting changes will not have an adverse impact on our business, results of operations, or financial condition. It is possible that such regulatory changes could, among other things, increase our costs of operating as a public company, impose restrictions on our ability to securitize assets and reduce our investment returns on securitized assets.

The federal conservatorship of Fannie Mae and Freddie Mac and related efforts, along with any changes in laws and regulations affecting the relationship between these agencies and the U.S. government, may adversely affect our business.

The payments we receive on the Agency RMBS in which we invest depend upon a steady stream of payments by borrowers on the underlying mortgages and the fulfillment of guarantees by GSEs. Ginnie Mae is part of a U.S. Government agency and its guarantees are backed by the full faith and credit of the U.S. Fannie Mae and Freddie Mac are GSEs, but their guarantees are not backed by the full faith and credit of the U.S. Government.

In response to the deteriorating financial condition of Fannie Mae and Freddie Mac and the credit market disruption beginning in 2007, Congress and the U.S. Treasury undertook a series of actions to stabilize these GSEs and the financial markets, generally. The Housing and Economic Recovery Act of 2008 was signed into law on July 30, 2008, and established the FHFA, with enhanced regulatory authority over, among other things, the business activities of Fannie Mae and Freddie Mac and the size of their portfolio holdings. On September 7, 2008, FHFA placed Fannie Mae and Freddie Mac into federal conservatorship and, together with the U.S. Treasury, established a program designed to boost investor confidence in Fannie Mae's and Freddie Mac's debt and Agency RMBS.

As the conservator of Fannie Mae and Freddie Mac, the FHFA controls and directs the operations of Fannie Mae and Freddie Mac and may (1) take over the assets of and operate Fannie Mae and Freddie Mac with all the powers of the stockholders, the directors and the officers of Fannie Mae and Freddie Mac and conduct all business of Fannie Mae and Freddie Mac; (2) collect all obligations and money due to Fannie Mae and Freddie Mac; (3) perform all functions of Fannie Mae and Freddie Mac which are consistent with the conservator's appointment; (4) preserve and conserve the assets and property of Fannie Mae and Freddie Mac; and (5) contract for assistance in fulfilling any function, activity, action or duty of the conservator.

Those efforts resulted in significant U.S. Government financial support and increased control of the GSEs.

The U.S. Federal Reserve (the "Fed") announced in November 2008 a program of large-scale purchases of Agency RMBS in an attempt to lower longer-term interest rates and contribute to an overall easing of adverse financial conditions. Subject to specified investment guidelines, the portfolios of Agency RMBS purchased through the programs established by the U.S. Treasury and the Fed may be held to maturity and, based on mortgage market conditions, adjustments may be made to these portfolios. This flexibility may adversely affect the pricing and availability of Agency RMBS that we seek to acquire during the remaining term of these portfolios.

There can be no assurance that the U.S. Government's intervention in Fannie Mae and Freddie Mac will be adequate for the longer-term viability of these GSEs. These uncertainties lead to questions about the availability of and trading market for, Agency RMBS. Accordingly, if these government actions are inadequate and the GSEs defaulted on their guaranteed obligations, suffered losses

or ceased to exist, the value of our Agency RMBS and our business, operations and financial condition could be materially and adversely affected.

Additionally, because of the financial problems faced by Fannie Mae and Freddie Mac that led to their federal conservatorships, the Administration and Congress have been examining reform of the GSEs, including the value of a federal mortgage guarantee and the appropriate role for the U.S. government in providing liquidity for residential mortgage loans. The respective chairmen of the Congressional committees of jurisdiction, as well as the Secretary of the Treasury, has each stated that GSE reform, including a possible wind down of the GSEs, is a priority. However, the final details of any plans, policies or proposals with respect to the housing GSEs are unknown at this time. Other bills have been introduced that change the GSEs' business charters and eliminate the entities or make other changes to the existing framework. We cannot predict whether or when such legislation may be enacted. If enacted, such legislation could materially and adversely affect the availability of, and trading market for, Agency RMBS and could, therefore, materially and adversely affect the value of our Agency RMBS and our business, operations and financial condition.

Legislation that permits modifications to the terms of outstanding loans may negatively affect our business, financial condition, liquidity and results of operations.

The U.S. government has enacted legislation that enables government agencies to modify the terms of a significant number of residential and other loans to provide relief to borrowers without the applicable investor's consent. These modifications allow for outstanding principal to be deferred, interest rates to be reduced, the term of the loan to be extended or other terms to be changed in ways that can permanently eliminate the cash flow (principal and interest) associated with a portion of the loan. These modifications are currently reducing, or in the future may reduce, the value of a number of our current or future investments, including investments in mortgage backed securities and interests in MSRs. As a result, such loan modifications are negatively affecting our business, results of operations, liquidity and financial condition. In addition, certain market participants propose reducing the amount of paperwork required by a borrower to modify a loan, which could increase the likelihood of fraudulent modifications and materially harm the U.S. mortgage market and investors that have exposure to this market. Additional legislation intended to provide relief to borrowers may be enacted and could further harm our business, results of operations and financial condition.

Risks Related to Our Taxation as a REIT

Qualifying as a REIT involves highly technical and complex provisions of the Internal Revenue Code.

Qualification as a REIT involves the application of highly technical and complex Internal Revenue Code provisions for which only limited judicial and administrative authorities exist. Even a technical or inadvertent violation could jeopardize our REIT qualification. Our qualification as a REIT will depend on our satisfaction of certain asset, income, organizational, distribution, stockholder ownership and other requirements on a continuing basis. Compliance with these requirements must be carefully monitored on a continuing basis. Monitoring and managing our REIT compliance has become challenging due to the increased size and complexity of the assets in our portfolio, a meaningful portion of which are not qualifying REIT assets. There can be no assurance that our Manager's personnel responsible for doing so will be able to successfully monitor our compliance or maintain our REIT status.

Our failure to qualify as a REIT would result in higher taxes and reduced cash available for distribution to our stockholders.

We intend to operate in a manner intended to qualify us as a REIT for U.S. federal income tax purposes. Our ability to satisfy the asset tests depends upon our analysis of the fair market values of our assets, some of which are not susceptible to a precise determination, and for which we do not obtain independent appraisals. See "—Risks Related to our Business—The valuations of our assets are subject to uncertainty because most of our assets are not traded in an active market," and "—Risks Related to Our Business—Rapid changes in the values of our assets may make it more difficult for us to maintain our qualification as a REIT or our exclusion from the 1940 Act." Our compliance with the REIT income and quarterly asset requirements also depends upon our ability to successfully manage the composition of our income and assets on an ongoing basis. Moreover, the proper classification of one or more of our investments (such as TBAs) may be uncertain in some circumstances, which could affect the application of the REIT qualification requirements. Accordingly, there can be no assurance that the U.S. Internal Revenue Service ("IRS") will not contend that our investments violate the REIT requirements.

If we were to fail to qualify as a REIT in any taxable year, we would be subject to U.S. federal income tax, including any applicable alternative minimum tax, on our taxable income at regular corporate rates, and distributions to stockholders would not be deductible by us in computing our taxable income. Any such corporate tax liability could be substantial and would reduce the amount of cash available for distribution to our stockholders, which in turn could have an adverse impact on the value of, and market price for, our stock. See also "—Our failure to qualify as a REIT would cause our stock to be delisted from the NYSE."

Unless entitled to relief under certain provisions of the Internal Revenue Code, we also would be disqualified from taxation as a REIT for the four taxable years following the year during which we initially ceased to qualify as a REIT. The rule against re-electing REIT status following a loss of such status would also apply to us if Drive Shack failed to qualify as a REIT for any taxable year ended on or before December 31, 2014, and we were treated as a successor to Drive Shack for U.S. federal income tax purposes. Although Drive Shack (i) represented in the separation and distribution agreement that it entered into with us on April 26, 2013 (the "Separation and Distribution Agreement") that it has no knowledge of any fact or circumstance that would cause us to fail to qualify as a REIT and (ii) covenanted in the Separation and Distribution Agreement to use its reasonable best efforts to maintain its REIT status for each of Drive Shack's taxable years ended on or before December 31, 2014 (unless Drive Shack obtains an opinion from a nationally recognized tax counsel or a private letter ruling from the IRS to the effect that Drive Shack's failure to maintain its REIT status will not cause us to fail to qualify as a REIT under the successor REIT rule referred to above), no assurance can be given that such representation and covenant would prevent us from failing to qualify as a REIT. Although, in the event of a breach, we may be able to seek damages from Drive Shack, there can be no assurance that such damages, if any, would appropriately compensate us. In addition, if Drive Shack were to fail to qualify as a REIT despite its reasonable best efforts, we would have no claim against Drive Shack.

Our failure to qualify as a REIT would cause our stock to be delisted from the NYSE.

The NYSE requires, as a condition to the listing of our shares, that we maintain our REIT status. Consequently, if we fail to maintain our REIT status, our shares would promptly be delisted from the NYSE, which would decrease the trading activity of such shares. This could make it difficult to sell shares and would likely cause the market volume of the shares trading to decline.

If we were delisted as a result of losing our REIT status and desired to relist our shares on the NYSE, we would have to reapply to the NYSE to be listed as a domestic corporation. As the NYSE's listing standards for REITs are less onerous than its standards for domestic corporations, it would be more difficult for us to become a listed company under these heightened standards. We might not be able to satisfy the NYSE's listing standards for a domestic corporation. As a result, if we were delisted from the NYSE, we might not be able to relist as a domestic corporation, in which case our shares could not trade on the NYSE.

The failure of assets subject to repurchase agreements to qualify as real estate assets could adversely affect our ability to qualify as a REIT.

We enter into financing arrangements that are structured as sale and repurchase agreements pursuant to which we nominally sell certain of our assets to a counterparty and simultaneously enter into an agreement to repurchase these assets at a later date in exchange for a purchase price. Economically, these agreements are financings that are secured by the assets sold pursuant thereto. We believe that, for purposes of the REIT asset and income tests, we should be treated as the owner of the assets that are the subject of any such sale and repurchase agreement, notwithstanding that those agreements generally transfer record ownership of the assets to the counterparty during the term of the agreement. It is possible, however, that the IRS could assert that we did not own the assets during the term of the sale and repurchase agreement, in which case we might fail to qualify as a REIT.

The failure of our Excess MSRs to qualify as real estate assets or the income from our Excess MSRs to qualify as mortgage interest could adversely affect our ability to qualify as a REIT.

We have received from the IRS a private letter ruling substantially to the effect that our Excess MSRs represent interests in mortgages on real property and thus are qualifying "real estate assets" for purposes of the REIT asset test, which generate income that qualifies as interest on obligations secured by mortgages on real property for purposes of the REIT income test. The ruling is based on, among other things, certain assumptions as well as on the accuracy of certain factual representations and statements that we and Drive Shack have made to the IRS. If any of the representations or statements that we have made in connection with the private letter ruling, are, or become, inaccurate or incomplete in any material respect with respect to one or more Excess MSR investments, or if we acquire an Excess MSR investment with terms that are not consistent with the terms of the Excess MSR investments described in the private letter ruling, then we will not be able to rely on the private letter ruling. If we are unable to rely on the private letter ruling with respect to an Excess MSR investment, the IRS could assert that such Excess MSR investments do not qualify under the REIT asset and income tests, and if successful, we might fail to qualify as a REIT.

Dividends payable by REITs do not qualify for the reduced tax rates available for some "qualified dividends."

Dividends payable to domestic stockholders that are individuals, trusts, and estates are generally taxed at reduced tax rates applicable to "qualified dividends." Dividends payable by REITs, however, generally are not eligible for those reduced rates. The more favorable rates applicable to regular corporate dividends could cause investors who are individuals, trusts and estates to perceive investments in REITs to be relatively less attractive than investments in the stocks of non-REIT corporations that pay dividends,

which could adversely affect the value of the stock of REITs, including our common stock. In addition, the relative attractiveness of real estate in general may be adversely affected by the favorable tax treatment given to non-REIT corporate dividends, which could affect the value of our real estate assets negatively.

REIT distribution requirements could adversely affect our liquidity and our ability to execute our business plan.

We generally must distribute annually at least 90% of our REIT taxable income, excluding any net capital gain, in order for corporate income tax not to apply to earnings that we distribute. We intend to make distributions to our stockholders to comply with the REIT requirements of the Internal Revenue Code. However, differences in timing between the recognition of taxable income and the actual receipt of cash could require us to sell assets or borrow funds on a short-term or long-term basis to meet the 90% distribution requirement of the Internal Revenue Code. Certain of our assets, such as our investment in consumer loans, generate substantial mismatches between taxable income and available cash. As a result, the requirement to distribute a substantial portion of our net taxable income could cause us to: (i) sell assets in adverse market conditions; (ii) borrow on unfavorable terms; (iii) distribute amounts that would otherwise be invested in future acquisitions, capital expenditures or repayment of debt; or (iv) make taxable distributions of our capital stock or debt securities in order to comply with REIT requirements. Further, amounts distributed will not be available to fund investment activities. If we fail to obtain debt or equity capital in the future, it could limit our ability to satisfy our liquidity needs, which could adversely affect the value of our common stock.

We may be required to report taxable income for certain investments in excess of the economic income we ultimately realize from them.

Based on IRS guidance concerning the classification of Excess MSRs, we intend to treat our Excess MSRs as ownership interests in the interest payments made on the underlying residential mortgage loans, akin to an "interest only" strip. Under this treatment, for purposes of determining the amount and timing of taxable income, each Excess MSR is treated as a bond that was issued with original issue discount on the date we acquired such Excess MSR. In general, we will be required to accrue original issue discount based on the constant yield to maturity of each Excess MSR, and to treat such original issue discount as taxable income in accordance with the applicable U.S. federal income tax rules. The constant yield of an Excess MSR will be determined, and we will be taxed, based on a prepayment assumption regarding future payments due on the residential mortgage loans underlying the Excess MSR. If the residential mortgage loans underlying an Excess MSR prepay at a rate different than that under the prepayment assumption, our recognition of original issue discount will be either increased or decreased depending on the circumstances. Thus, in a particular taxable year, we may be required to accrue an amount of income in respect of an Excess MSR that exceeds the amount of cash collected in respect of that Excess MSR. Furthermore, it is possible that, over the life of the investment in an Excess MSR, the total amount we pay for, and accrue with respect to, the Excess MSR may exceed the total amount we collect on such Excess MSR. No assurance can be given that we will be entitled to a deduction for such excess, meaning that we may be required to recognize "phantom income" over the life of an Excess MSR.

Other debt instruments that we may acquire, including consumer loans, may be issued with, or treated as issued with, original issue discount. Those instruments would be subject to the original issue discount accrual and income computations that are described above with regard to Excess MSRs.

Under the Tax Cuts and Jobs Act ("TCJA") enacted in late 2017, we generally will be required to take certain amounts into income no later than the time such amounts are reflected on certain financial statements. The application of this rule may require the accrual of, among other categories of income, income with respect to certain debt instruments or mortgage-backed securities, such as original issue discount, earlier than would be the case under the general tax rules, although the precise application of this rule is unclear at this time. This rule generally will be effective for tax years beginning after December 31, 2017 or, for debt instruments or mortgage-backed securities issued with original issue discount, for tax years beginning after December 31, 2018.

We may acquire debt instruments in the secondary market for less than their face amount. The discount at which such debt instruments are acquired may reflect doubts about their ultimate collectability rather than current market interest rates. The amount of such discount will nevertheless generally be treated as "market discount" for U.S. federal income tax purposes. Accrued market discount is reported as income when, and to the extent that, any payment of principal of the debt instrument is made. If we collect less on the debt instrument than our purchase price plus the market discount we had previously reported as income, we may not be able to benefit from any offsetting loss deductions.

In addition, we may acquire debt instruments that are subsequently modified by agreement with the borrower. If the amendments to the outstanding instrument are "significant modifications" under the applicable U.S. Treasury regulations, the modified instrument will be considered to have been reissued to us in a debt-for-debt exchange with the borrower. In that event, we may be required to recognize taxable gain to the extent the principal amount of the modified instrument exceeds our adjusted tax basis in

the unmodified instrument, even if the value of the instrument or the payment expectations have not changed. Following such a taxable modification, we would hold the modified loan with a cost basis equal to its principal amount for U.S. federal tax purposes.

Finally, in the event that any debt instruments acquired by us are delinquent as to mandatory principal and interest payments, or in the event payments with respect to a particular instrument are not made when due, we may nonetheless be required to continue to recognize the unpaid interest as taxable income as it accrues, despite doubt as to its ultimate collectability. Similarly, we may be required to accrue interest income with respect to debt instruments at the stated rate regardless of whether corresponding cash payments are received or are ultimately collectible. In each case, while we would in general ultimately have an offsetting loss deduction available to us when such interest was determined to be uncollectible, the utility of that deduction could depend on our having taxable income of an appropriate character in that later year or thereafter.

In any event, if our investments generate more taxable income than cash in any given year, we may have difficulty satisfying our annual REIT distribution requirement.

We may be unable to generate sufficient cash from operations to pay our operating expenses and to pay distributions to our stockholders.

As a REIT, we are generally required to distribute at least 90% of our REIT taxable income (determined without regard to the dividends paid deduction and not including net capital gains) each year to our stockholders. To qualify for the tax benefits accorded to REITs, we intend to make distributions to our stockholders in amounts such that we distribute all or substantially all of our net taxable income, subject to certain adjustments, although there can be no assurance that our operations will generate sufficient cash to make such distributions. Moreover, our ability to make distributions may be adversely affected by the risk factors described herein. See also "—Risks Related to our Common Stock—We have not established a minimum distribution payment level, and we cannot assure you of our ability to pay distributions in the future."

The stock ownership limit imposed by the Internal Revenue Code for REITs and our certificate of incorporation may inhibit market activity in our stock and restrict our business combination opportunities.

In order for us to maintain our qualification as a REIT under the Internal Revenue Code, not more than 50% in value of our outstanding stock may be owned, directly or indirectly, by five or fewer individuals (as defined in the Internal Revenue Code to include certain entities) at any time during the last half of each taxable year after our first taxable year. Our certificate of incorporation, with certain exceptions, authorizes our board of directors to take the actions that are necessary and desirable to preserve our qualification as a REIT. Stockholders are generally restricted from owning more than 9.8% by value or number of shares, whichever is more restrictive, of our outstanding shares of common stock, or 9.8% by value or number of shares, whichever is more restrictive, of our outstanding shares of capital stock. Our board may grant an exemption in its sole discretion, subject to such conditions, representations and undertakings as it may determine in its sole discretion. These ownership limits could delay or prevent a transaction or a change in our control that might involve a premium price for our common stock or otherwise be in the best interest of our stockholders.

Even if we remain qualified as a REIT, we may face other tax liabilities that reduce our cash flow.

Even if we remain qualified for taxation as a REIT, we may be subject to certain federal, state and local taxes on our income and assets, including taxes on any undistributed income, tax on income from some activities conducted as a result of a foreclosure, and state or local income, property and transfer taxes. Moreover, if a REIT distributes less than 85% of its ordinary income and 95% of its capital gain net income plus any undistributed shortfall from the prior year (the "Required Distribution") to its stockholders during any calendar year (including any distributions declared by the last day of the calendar year but paid in the subsequent year), then it is required to pay an excise tax on 4% of any shortfall between the Required Distribution and the amount that was actually distributed. Any of these taxes would decrease cash available for distribution to our stockholders. In addition, in order to meet the REIT qualification requirements, or to avert the imposition of a 100% tax that applies to certain gains derived by a REIT from dealer property or inventory, we may hold some of our assets through TRSs. Such subsidiaries generally will be subject to corporate level income tax at regular rates and the payment of such taxes would reduce our return on the applicable investment. Currently, we hold some of our investments in TRSs, including Servicer Advance Investments and MSRs, and we may contribute other non-qualifying investments, such as our investment in consumer loans, to a TRS in the future.

Complying with the REIT requirements may negatively impact our investment returns or cause us to forgo otherwise attractive opportunities, liquidate assets or contribute assets to a TRS.

To qualify as a REIT for U.S. federal income tax purposes, we must continually satisfy tests concerning, among other things, the sources of our income, the nature and diversification of our assets, the amounts we distribute to our stockholders and the ownership

of our stock. As a result of these tests, we may be required to make distributions to stockholders at disadvantageous times or when we do not have funds readily available for distribution, forgo otherwise attractive investment opportunities, liquidate assets in adverse market conditions or contribute assets to a TRS that is subject to regular corporate federal income tax. Our ability to acquire and hold MSRs, interests in consumer loans, Servicer Advance Investments and other investments is subject to the applicable REIT qualification tests, and we may have to hold these interests through TRSs, which would negatively impact our returns from these assets. In general, compliance with the REIT requirements may hinder our ability to make and retain certain attractive investments.

Complying with the REIT requirements may limit our ability to hedge effectively.

The existing REIT provisions of the Internal Revenue Code may substantially limit our ability to hedge our operations because a significant amount of the income from those hedging transactions is likely to be treated as non-qualifying income for purposes of both REIT gross income tests. In addition, we must limit our aggregate income from non-qualified hedging transactions, from our provision of services and from other non-qualifying sources, to less than 5% of our annual gross income (determined without regard to gross income from qualified hedging transactions).

As a result, we may have to limit our use of certain hedging techniques or implement those hedges through TRSs. This could result in greater risks associated with changes in interest rates than we would otherwise want to incur or could increase the cost of our hedging activities. If we fail to comply with these limitations, we could lose our REIT qualification for U.S. federal income tax purposes, unless our failure was due to reasonable cause, and not due to willful neglect, and we meet certain other technical requirements. Even if our failure were due to reasonable cause, we might incur a penalty tax. See also "—Risks Related to Our Business—Any hedging transactions that we enter into may limit our gains or result in losses."

Distributions to tax-exempt investors may be classified as unrelated business taxable income.

Neither ordinary nor capital gain distributions with respect to our stock nor gain from the sale of stock should generally constitute unrelated business taxable income to a tax-exempt investor. However, there are certain exceptions to this rule. In particular:

- part of the income and gain recognized by certain qualified employee pension trusts with respect to our stock may be treated as unrelated business taxable income if shares of our stock are predominantly held by qualified employee pension trusts, and we are required to rely on a special look-through rule for purposes of meeting one of the REIT ownership tests, and we are not operated in a manner to avoid treatment of such income or gain as unrelated business taxable income;
- part of the income and gain recognized by a tax-exempt investor with respect to our stock would constitute unrelated business taxable income if the investor incurs debt in order to acquire the stock; and
- to the extent that we are (or a part of us, or a disregarded subsidiary of ours, is) a "taxable mortgage pool," or if we hold residual interests in a real estate mortgage investment conduit ("REMIC"), a portion of the distributions paid to a tax exempt stockholder that is allocable to excess inclusion income may be treated as unrelated business taxable income.

The "taxable mortgage pool" rules may increase the taxes that we or our stockholders may incur, and may limit the manner in which we effect future securitizations.

We may enter into securitization or other financing transactions that result in the creation of taxable mortgage pools for U.S. federal income tax purposes. As a REIT, so long as we own 100% of the equity interests in a taxable mortgage pool, we would generally not be adversely affected by the characterization of a securitization as a taxable mortgage pool. Certain categories of stockholders, however, such as foreign stockholders eligible for treaty or other benefits, stockholders with net operating losses, and certain tax exempt stockholders that are subject to unrelated business income tax, could be subject to increased taxes on a portion of their dividend income from us that is attributable to the taxable mortgage pool. In addition, to the extent that our stock is owned by tax exempt "disqualified organizations," such as certain government-related entities and charitable remainder trusts that are not subject to tax on unrelated business income, we could incur a corporate level tax on a portion of our income from the taxable mortgage pool. In that case, we might reduce the amount of our distributions to any disqualified organization whose stock ownership gave rise to the tax. Moreover, we may be precluded from selling equity interests in these securitizations to outside investors, or selling any debt securities issued in connection with these securitizations that might be considered to be equity interests for tax purposes. These limitations may prevent us from using certain techniques to maximize our returns from securitization transactions.

Uncertainty exists with respect to the treatment of TBAs for purposes of the REIT asset and income tests, and the failure of TBAs to be qualifying assets or of income/gains from TBAs to be qualifying income could adversely affect our ability to qualify as a REIT.

We purchase and sell Agency RMBS through TBAs and recognize income or gains from the disposition of those TBAs, through dollar roll transactions or otherwise. In a dollar roll transaction, we exchange an existing TBA for another TBA with a different settlement date. There is no direct authority with respect to the qualification of TBAs as real estate assets or U.S. Government securities for purposes of the 75% asset test or the qualification of income or gains from dispositions of TBAs as gains from the sale of real property (including interests in real property and interests in mortgages on real property) or other qualifying income for purposes of the 75% gross income test. For a particular taxable year, we would treat such TBAs as qualifying assets for purposes of the REIT asset tests, and income and gains from such TBAs as qualifying income for purposes of the 75% gross income test, to the extent set forth in an opinion from Skadden, Arps, Slate, Meagher & Flom LLP substantially to the effect that (i) for purposes of the REIT asset tests, our ownership of a TBA should be treated as ownership of the underlying Agency RMBS, and (ii) for purposes of the 75% REIT gross income test, any gain recognized by us in connection with the settlement of such TBAs should be treated as gain from the sale or disposition of the underlying Agency RMBS. Opinions of counsel are not binding on the IRS, and no assurance can be given that the IRS would not successfully challenge the conclusions set forth in such opinions. In addition, it must be emphasized that any opinion of Skadden, Arps, Slate, Meagher & Flom LLP would be based on various assumptions relating to any TBAs that we enter into and would be conditioned upon fact-based representations and covenants made by our management regarding such TBAs. No assurance can be given that the IRS would not assert that such assets or income are not qualifying assets or income. If the IRS were to successfully challenge any conclusions of Skadden, Arps, Slate, Meagher & Flom LLP, we could be subject to a penalty tax or we could fail to qualify as a REIT if a sufficient portion of our assets consists of TBAs or a sufficient portion of our income consists of income or gains from the disposition of TBAs.

The tax on prohibited transactions will limit our ability to engage in transactions that would be treated as prohibited transactions for U.S. federal income tax purposes.

Net income that we derive from a "prohibited transaction" is subject to a 100% tax. The term "prohibited transaction" generally includes a sale or other disposition of property (including mortgage loans, but other than foreclosure property, as discussed below) that is held primarily for sale to customers in the ordinary course of our trade or business. We might be subject to this tax if we were to dispose of or securitize loans or Excess MSRs in a manner that was treated as a prohibited transaction for U.S. federal income tax purposes.

We intend to conduct our operations so that no asset that we own (or are treated as owning) will be treated as, or as having been, held-for-sale to customers, and that a sale of any such asset will not be treated as having been in the ordinary course of our business. As a result, we may choose not to engage in certain sales of loans or Excess MSRs at the REIT level, and may limit the structures we utilize for our securitization transactions, even though the sales or structures might otherwise be beneficial to us. In addition, whether property is held "primarily for sale to customers in the ordinary course of a trade or business" depends on the particular facts and circumstances. No assurance can be given that any property that we sell will not be treated as property held-for-sale to customers, or that we can comply with certain safe-harbor provisions of the Internal Revenue Code that would prevent such treatment. The 100% prohibited transaction tax does not apply to gains from the sale of property that is held through a TRS or other taxable corporation, although such income will be subject to tax in the hands of the corporation at regular corporate rates. We intend to structure our activities to prevent prohibited transaction characterization.

Liquidation of assets may jeopardize our REIT qualification or create additional tax liability for us.

To qualify as a REIT, we must comply with requirements regarding the composition of our assets and our sources of income. If we are compelled to liquidate our investments to repay obligations to our lenders, we may be unable to comply with these requirements, ultimately jeopardizing our qualification as a REIT, or we may be subject to a 100% tax on any resultant gain if we sell assets that are treated as dealer property or inventory.

Changes to U.S. federal income tax laws could materially and adversely affect us and our stockholders.

The present U.S. federal income tax treatment of REITs and their shareholders may be modified, possibly with retroactive effect, by legislative, judicial or administrative action at any time, which could affect the U.S. federal income tax treatment of an investment in our shares. The U.S. federal income tax rules, including those dealing with REITs, are constantly under review by persons involved in the legislative process, the IRS and the U.S. Treasury Department, which results in statutory changes as well as frequent revisions to regulations and interpretations.

The recently enacted TCJA makes substantial changes to the Internal Revenue Code. Among those changes are a significant permanent reduction in the generally applicable corporate tax rate, changes in the taxation of individuals and other non-corporate taxpayers that generally but not universally reduce their taxes on a temporary basis subject to "sunset" provisions, the elimination or modification of various currently allowed deductions (including substantial limitations on the deductibility of interest and, in the case of individuals, the deduction for personal state and local taxes), certain additional limitations on the deduction of net operating losses, and preferential rates of taxation on most ordinary REIT dividends and certain business income derived by non-corporate taxpayers in comparison to other ordinary income recognized by such taxpayers. The effect of these, and the many other, changes made in the TCJA is highly uncertain, both in terms of their direct effect on the taxation of an investment in our common stock and their indirect effect on the value of our assets or market conditions generally. Furthermore, many of the provisions of the TCJA will require guidance through the issuance of Treasury regulations in order to assess their effect. There may be a substantial delay before such regulations are promulgated, increasing the uncertainty as to the ultimate effect of the statutory amendments on us. There also may be technical corrections legislation proposed with respect to the TCJA, the effect of which cannot be predicted and may be adverse to us or our stockholders.

Risks Related to our Common Stock

There can be no assurance that the market for our stock will provide you with adequate liquidity.

Our common stock began trading on the NYSE in May 2013. There can be no assurance that an active trading market for our common stock will be sustained in the future, and the market price of our common stock may fluctuate widely, depending upon many factors, some of which may be beyond our control. These factors include, without limitation:

- a shift in our investor base;
- our quarterly or annual earnings and cash flows, or those of other comparable companies;
- actual or anticipated fluctuations in our operating results;
- changes in accounting standards, policies, guidance, interpretations or principles;
- announcements by us or our competitors of significant investments, acquisitions or dispositions;
- the failure of securities analysts to cover our common stock;
- changes in earnings estimates by securities analysts or our ability to meet those estimates;
- market performance of affiliates and other counterparties with whom we conduct business;
- the operating and stock price performance of other comparable companies;
- our failure to qualify as a REIT, maintain our exemption under the 1940 Act or satisfy the NYSE listing requirements;
- negative public perception of us, our competitors or industry;
- overall market fluctuations; and
- general economic conditions.

Stock markets in general have experienced volatility that has often been unrelated to the operating performance of a particular company. These broad market fluctuations may adversely affect the market price of our common stock.

Sales or issuances of shares of our common stock could adversely affect the market price of our common stock.

Sales or issuances of substantial amounts of shares of our common stock, or the perception that such sales or issuances might occur, could adversely affect the market price of our common stock. The issuance of our common stock in connection with property, portfolio or business acquisitions or the exercise of outstanding options or otherwise could also have an adverse effect on the market price of our common stock. We have an effective registration statement on file to sell common stock or convertible securities in public offerings.

Failure to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our business and stock price.

As a public company, we are required to maintain effective internal control over financial reporting in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. Internal control over financial reporting is complex and may be revised over time to adapt to changes in our business, or changes in applicable accounting rules. We have made investments through joint ventures, such as our investment in consumer loans, and accounting for such investments can increase the complexity of maintaining effective internal control over financial reporting. We cannot assure you that our internal control over financial reporting will be effective in the future or that a material weakness will not be discovered with respect to a prior period for which we had previously believed that our internal control over financial reporting was effective. If we are not able to maintain or document effective internal control over financial reporting, our independent registered public accounting firm will not be able to certify as to the effectiveness of our internal control over financial reporting. Matters impacting our internal control over financial reporting may cause us to be unable

to report our financial information on a timely basis, or may cause us to restate previously issued financial information, and thereby subject us to adverse regulatory consequences, including sanctions or investigations by the SEC, or violations of applicable stock exchange listing rules. There could also be a negative reaction in the financial markets due to a loss of investor confidence in us and the reliability of our financial statements. Confidence in the reliability of our financial statements is also likely to suffer if we or our independent registered public accounting firm reports a material weakness in the effectiveness of our internal control over financial reporting. This could materially adversely affect us by, for example, leading to a decline in our stock price and impairing our ability to raise capital.

Your percentage ownership in us may be diluted in the future.

Your percentage ownership in us may be diluted in the future because of equity awards that we expect will be granted to our Manager, to the directors, officers and employees of our Manager who perform services for us, and to our directors, officers and employees, as well as other equity instruments such as debt and equity financing. We have adopted a Nonqualified Stock Option and Incentive Award Plan, as amended (the "Plan"), which provides for the grant of equity-based awards, including restricted stock, options, stock appreciation rights, performance awards, tandem awards and other equity-based and non-equity based awards, in each case to our Manager, to the directors, officers, employees, service providers, consultants and advisor of our Manager who perform services for us, and to our directors, officers, employees, service providers, consultants and advisors. We reserved 15 million shares of our common stock for issuance under the Plan. The term of the Plan expires in 2023. On the first day of each fiscal year beginning during the term of the Plan, that number will be increased by a number of shares of our common stock equal to 10% of the number of shares of our common stock newly issued by us during the immediately preceding fiscal year. In connection with any offering of our common stock, we will issue to our Manager options relating to shares of our common stock, representing 10% of the number of shares being offered. Our board of directors may also determine to issue options to the Manager that are not subject to the Plan, provided that the number of shares relating to any options granted to the Manager in connection with an offering of our common stock would not exceed 10% of the shares sold in such offering and would be subject to NYSE rules.

We may incur or issue debt or issue equity, which may negatively affect the market price of our common stock.

We may in the future incur or issue debt or issue equity or equity-related securities. In the event of our liquidation, lenders and holders of our debt and holders of our preferred stock (if any) would receive a distribution of our available assets before common stockholders. Any future incurrence or issuance of debt would increase our interest cost and could adversely affect our results of operations and cash flows. We are not required to offer any additional equity securities to existing common stockholders on a preemptive basis. Therefore, additional issuances of common stock, directly or through convertible or exchangeable securities, warrants or options, will dilute the holdings of our existing common stockholders and such issuances, or the perception of such issuances, may reduce the market price of our common stock. Any preferred stock issued by us would likely have a preference on distribution payments, periodically or upon liquidation, which could eliminate or otherwise limit our ability to make distributions to common stockholders. Because our decision to incur or issue debt or issue equity or equity-related securities in the future will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, nature or success of our future capital raising efforts. Thus, common stockholders bear the risk that our future incurrence or issuance of debt or issuance of equity or equity-related securities will adversely affect the market price of our common stock.

We have not established a minimum distribution payment level, and we cannot assure you of our ability to pay distributions in the future.

We intend to make quarterly distributions of our REIT taxable income to holders of our common stock out of assets legally available therefor. We have not established a minimum distribution payment level and our ability to pay distributions may be adversely affected by a number of factors, including the risk factors described in this report. Any distributions will be authorized by our board of directors and declared by us based upon a number of factors, including our actual and anticipated results of operations, liquidity and financial condition, restrictions under Delaware law or applicable financing covenants, our REIT taxable income, the annual distribution requirements under the REIT provisions of the Internal Revenue Code, our operating expenses and other factors our directors deem relevant.

Our board of directors approved two increases in our quarterly dividends during 2017, which has resulted in reduced cash flows. Although we have other sources of liquidity, such as sales of and repayments from our investments, potential debt financing sources and the issuance of equity securities, there can be no assurance that we will generate sufficient cash or achieve investment results that will allow us to make a specified level of cash distributions or year-to-year increases in cash distributions in the future.

Furthermore, while we are required to make distributions in order to maintain our REIT status (as described above under "—Risks Related to our Taxation as a REIT—We may be unable to generate sufficient cash from operations to pay our operating expenses and to pay distributions to our stockholders"), we may elect not to maintain our REIT status, in which case we would no longer

be required to make such distributions. Moreover, even if we do elect to maintain our REIT status, we may elect to comply with the applicable requirements by, after completing various procedural steps, distributing, under certain circumstances, a portion of the required amount in the form of shares of our common stock in lieu of cash. If we elect not to maintain our REIT status or to satisfy any required distributions in shares of common stock in lieu of cash, such action could negatively and materially affect our business, results of operations, liquidity and financial condition as well as the market price of our common stock. No assurance can be given that we will make any distributions on shares of our common stock in the future.

We may in the future choose to make distributions in our own stock, in which case you could be required to pay income taxes in excess of any cash distributions you receive.

We may in the future make taxable distributions that are payable in cash and shares of our common stock at the election of each stockholder. Taxable stockholders receiving such distributions will be required to include the full amount of the distribution as ordinary income to the extent of our current and accumulated earnings and profits for federal income tax purposes. As a result, stockholders may be required to pay income taxes with respect to such distributions in excess of the cash distributions received. If a U.S. stockholder sells the stock that it receives as a distribution in order to pay this tax, the sale proceeds may be less than the amount included in income with respect to the distribution, depending on the market price of our stock at the time of the sale. Furthermore, with respect to certain non-U.S. stockholders, we may be required to withhold U.S. tax with respect to such distributions, including in respect of all or a portion of such distribution that is payable in stock. In addition, if a significant number of our stockholders determine to sell shares of our common stock in order to pay taxes owed on distributions, it may put downward pressure on the market price of our common stock.

In August 2017, the IRS issued guidance authorizing elective cash/stock dividends to be made by public REITs where there is a minimum (of at least 20%) amount of cash that may be paid as part of the dividend, provided that certain requirements are met. It is unclear whether and to what extent we would be able to or choose to pay taxable distributions in cash and stock. In addition, no assurance can be given that the IRS will not impose additional requirements in the future with respect to taxable cash/stock distributions, including on a retroactive basis, or assert that the requirements for such taxable cash/stock distributions have not been met.

An increase in market interest rates may have an adverse effect on the market price of our common stock.

One of the factors that investors may consider in deciding whether to buy or sell shares of our common stock is our distribution rate as a percentage of our stock price relative to market interest rates. If the market price of our common stock is based primarily on the earnings and return that we derive from our investments and income with respect to our investments and our related distributions to stockholders, and not from the market value of the investments themselves, then interest rate fluctuations and capital market conditions will likely affect the market price of our common stock. For instance, if market interest rates rise without an increase in our distribution rate, the market price of our common stock could decrease, as potential investors may require a higher distribution yield on our common stock or seek other securities paying higher distributions or interest. In addition, rising interest rates would result in increased interest expense on our outstanding and future (variable and fixed) rate debt, thereby adversely affecting cash flow and our ability to service our indebtedness and pay distributions.

Provisions in our certificate of incorporation and bylaws and of Delaware law may prevent or delay an acquisition of our company, which could decrease the market price of our common stock.

Our certificate of incorporation, bylaws and Delaware law contain provisions that are intended to deter coercive takeover practices and inadequate takeover bids by making such practices or bids unacceptably expensive to the raider and to encourage prospective acquirers to negotiate with our board of directors rather than to attempt a hostile takeover. These provisions include, among others:

- a classified board of directors with staggered three-year terms;
- provisions regarding the election of directors, classes of directors, the term of office of directors, the filling of director vacancies and the resignation and removal of directors for cause only upon the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote thereon;
- provisions regarding corporate opportunity only upon the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote thereon;
- removal of directors only for cause and only with the affirmative vote of at least 80% of the then issued and outstanding shares of our capital stock entitled to vote in the election of directors;
- our board of directors to determine the powers, preferences and rights of our preferred stock and to issue such preferred stock without stockholder approval;
- advance notice requirements applicable to stockholders for director nominations and actions to be taken at annual meetings;

- a prohibition, in our certificate of incorporation, stating that no holder of shares of our common stock will have cumulative voting rights in the election of directors, which means that the holders of a majority of the issued and outstanding shares of common stock can elect all the directors standing for election; and
- a requirement in our bylaws specifically denying the ability of our stockholders to consent in writing to take any action in lieu of taking such action at a duly called annual or special meeting of our stockholders.

Public stockholders who might desire to participate in these types of transactions may not have an opportunity to do so, even if the transaction is considered favorable to stockholders. These anti-takeover provisions could substantially impede the ability of public stockholders to benefit from a change in control or a change in our management and board of directors and, as a result, may adversely affect the market price of our common stock and your ability to realize any potential change of control premium.

ERISA may restrict investments by plans in our common stock.

A plan fiduciary considering an investment in our common stock should consider, among other things, whether such an investment is consistent with the fiduciary obligations under the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), including whether such investment might constitute or give rise to a prohibited transaction under ERISA, the Internal Revenue Code or any substantially similar federal, state or local law and, if so, whether an exemption from such prohibited transaction rules is available.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit Number	Exhibit Description
2.1†	Separation and Distribution Agreement, dated as of April 26, 2013, by and between New Residential Investment Corp. and Newcastle Investment Corp. (incorporated by reference to Exhibit 2.1 to Amendment No. 6 of New Residential Investment Corp.'s Registration Statement on Form 10, filed April 29, 2013)
2.2†	Purchase Agreement, dated as of March 5, 2013, by and among the Sellers listed therein, HSBC Finance Corporation and SpringCastle Acquisition LLC (incorporated by reference to Exhibit 99.1 to Drive Shack Inc.'s Current Report on Form 8-K, filed March 11, 2013)
2.3†	Master Servicing Rights Purchase Agreement, dated as of December 17, 2013, by and between Nationstar Mortgage LLC and Advance Purchaser LLC (incorporated by reference to Exhibit 2.1 to New Residential Investment Corp.'s Current Report on Form 8-K, filed December 23, 2013)
2.4†	Sale Supplement (Shuttle 1), dated as of December 17, 2013, by and between Nationstar Mortgage LLC and Advance Purchaser LLC (incorporated by reference to Exhibit 2.2 to New Residential Investment Corp.'s Current Report on Form 8-K, filed December 23, 2013)
2.5†	Sale Supplement (Shuttle 2), dated as of December 17, 2013, by and between Nationstar Mortgage LLC and Advance Purchaser LLC (incorporated by reference to Exhibit 2.3 to New Residential Investment Corp.'s Current Report on Form 8-K, filed December 23, 2013)
2.6†	Sale Supplement (First Tennessee), dated as of December 17, 2013, by and between Nationstar Mortgage LLC and Advance Purchaser LLC (incorporated by reference to Exhibit 2.4 to New Residential Investment Corp.'s Current Report on Form 8-K, filed December 23, 2013)
2.7†	Purchase Agreement, dated as of March 31, 2016, by and among SpringCastle Holdings, LLC, Springleaf Acquisition Corporation, Springleaf Finance, Inc., NRZ Consumer LLC, NRZ SC America LLC, NRZ SC Credit Limited, NRZ SC Finance I LLC, NRZ SC Finance II LLC, NRZ SC Finance III LLC, NRZ SC Finance IV LLC, NRZ SC Finance V LLC, BTO Willow Holdings II, L.P. and Blackstone Family Tactical Opportunities Investment Partnership - NQ - ESC L.P., and solely with respect to Section 11(a) and Section 11(g), NRZ SC America Trust 2015-1, NRZ SC Credit Trust 2015-1, NRZ SC Finance Trust 2015-1, and BTO Willow Holdings, L.P. (incorporated by reference to Exhibit 2.10 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016, filed on May 4, 2016)
2.8†	Securities Purchase Agreement, dated as of November 29, 2017, by and among NRM Acquisition LLC, Shellpoint Partners LLC, the Sellers party thereto and Shellpoint Services LLC, as original representative of the Seller (incorporated by reference to Exhibit 2.8 to New Residential Investment Corp.'s Annual Report on Form 10-K for the year ended December 31, 2017, filed on February 15, 2018)
2.9†	Amendment No. 1 to the Securities Purchase Agreement, dated as of July 3, 2018, by and among NRM Acquisition LLC, Shellpoint Partners LLC, the Sellers party thereto and Shellpoint Representative LLC, as replacement representative of the Sellers (incorporated by reference to Exhibit 2.9 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2018)
3.1	Amended and Restated Certificate of Incorporation of New Residential Investment Corp. (incorporated by reference to Exhibit 3.1 to New Residential Investment Corp.'s Current Report on Form 8-K, filed May 3, 2013)
3.2	Amended and Restated Bylaws of New Residential Investment Corp. (incorporated by reference to Exhibit 3.2 to New Residential Investment Corp.'s Current Report on Form 8-K, filed May 3, 2013)
3.3	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of New Residential Investment Corp. (incorporated by reference to Exhibit 3.1 to New Residential Investment Corp.'s Current Report on Form 8-K, filed October 17, 2014)
4.1	Amended and Restated Indenture, dated as of August 17, 2017, by and among NRZ Advance Receivables Trust 2015-ONI, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, New Residential Mortgage LLC and Credit Suisse AG, New York Branch (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Current Report on Form 8-K, filed August 22, 2017)
4.2	Omnibus Amendment to Term Note Indenture Supplements, dated as of August 17, 2017, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, New Residential Mortgage LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.2 to New Residential Investment Corp.'s Current Report on Form 8-K, filed August 22, 2017)

Exhibit Number	Exhibit Description
4.3	Series 2015-T1 Indenture Supplement, dated as of August 28, 2015, to the Indenture, dated as of August 28, 2015, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.19 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015)
4.4	Series 2015-T2 Indenture Supplement, dated as of August 28, 2015, to the Indenture, dated as of August 28, 2015, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.20 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015)
4.5	Series 2015-VF1 Indenture Supplement, dated as of August 28, 2015, to the Indenture, dated as of August 28, 2015, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.21 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015)
4.6	Amendment No. 1, dated as of November 24, 2015, to the Series 2015-VF1 Indenture Supplement, dated as of August 28, 2015, to the Indenture, dated as of August 28, 2015, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.22 to New Residential Investment Corp.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2015)
4.7	Amendment No. 2, dated as of March 22, 2016, to the Series 2015-VF1 Indenture Supplement, dated as of August 28, 2015, to the Indenture, dated as of August 28, 2015, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Current Report on Form 8-K, filed March 24, 2016)
4.8	Amendment No. 3, dated as of May 9, 2016, to the Series 2015-VF1 Indenture Supplement, dated as of August 28, 2015, to the Indenture, dated as of August 28, 2015, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Current Report on Form 8-K, filed May 13, 2016)
4.9	Amendment No. 4, dated as of May 27, 2016, to the Series 2015-VF1 Indenture Supplement, dated as of August 28, 2015, to the Indenture, dated as of August 28, 2015, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Current Report on Form 8-K, filed June 3, 2016)
4.10	Amendment No. 5, dated as of December 15, 2016, to the Series 2015-VF1 Indenture Supplement, dated as of August 28, 2015, to the Indenture, dated as of August 28, 2015, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.3 to New Residential Investment Corp.'s Current Report on Form 8-K, filed December 16, 2016)
4.11	Amendment No. 6, dated as of August 17, 2017, to Series 2015-VF1 Indenture Supplement, dated as of August 28, 2015, to the Amended and Restated Indenture, dated as of August 21, 2017, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, New Residential Mortgage LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.3 to New Residential Investment Corp.'s Current Report on Form 8-K, filed August 22, 2017)
4.12	Amendment No. 7, dated as of November 15, 2017, to Series 2015-VF1 Indenture Supplement, dated as of August 28, 2015, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, HLSS Holdings, LLC, Credit Suisse AG, New York Branch, Ocwen Loan Servicing, LLC, New Residential Mortgage LLC, and New Residential Investment Corp and consented to by Credit Suisse and Credit Suisse International (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Current Report on Form 8-K filed November 17, 2017)
4.13	Series 2015-T3 Indenture Supplement, dated as of November 24, 2015, to the Indenture, dated as of August 28, 2015, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.23 to New Residential Investment Corp.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2015)

Exhibit Number	Exhibit Description
4.14	Series 2015-T4 Indenture Supplement, dated as of November 24, 2015, to the Indenture, dated as of August 28, 2015, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.24 to New Residential Investment Corp.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2015)
4.15	Series 2016-T1 Indenture Supplement, dated as of June 30, 2016, to the Indenture, dated as of August 28, 2015, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Current Report on Form 8-K, filed July 7, 2016)
4.16	Series 2016-T2 Indenture Supplement, dated as of October 25, 2016, to the Indenture, dated as of August 28, 2015, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Current Report on Form 8-K, filed October 31, 2016)
4.17	Series 2016-T3 Indenture Supplement, dated as of October 25, 2016, to the Indenture, dated as of August 28, 2015, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.2 to New Residential Investment Corp.'s Current Report on Form 8-K, filed October 31, 2016)
4.18	Series 2016-T4 Indenture Supplement, dated as of December 15, 2016, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Current Report on Form 8-K, filed December 16, 2016)
4.19	Series 2016-T5 Indenture Supplement, dated as of December 15, 2016, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.2 to New Residential Investment Corp.'s Current Report on Form 8-K, filed December 16, 2016)
4.20	Series 2017-T1 Indenture Supplement, dated as of February 7, 2017, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Current Report on Form 8-K filed February 7, 2017)
4.21	Series 2018-VF1 Indenture Supplement, dated as of March 22, 2018, to the Amended and Restated Indenture, dated as of August 17, 2017, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, New Residential Mortgage LLC, JPMorgan Chase Bank, N.A. and New Residential Investment Corp. (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Current Report on Form 8-K, filed March 28, 2018)
10.1	Third Amended and Restated Management and Advisory Agreement, dated as of May 7, 2015, by and between New Residential Investment Corp. and FIG LLC (incorporated by reference to Exhibit 10.4 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2015)
10.2	Form of Indemnification Agreement by and between New Residential Investment Corp. and its directors and officers (incorporated by reference to Exhibit 10.2 to Amendment No. 3 to New Residential Investment Corp.'s Registration Statement on Form 10, filed March 27, 2013)
10.3	New Residential Investment Corp. Nonqualified Stock Option and Incentive Award Plan, adopted as of April 29, 2013 (incorporated by reference to Exhibit 10.1 to New Residential Investment Corp.'s Current Report on Form 8-K, filed May 3, 2013)
10.4	Amended and Restated New Residential Investment Corp. Nonqualified Stock Option and Incentive Plan, adopted as of November 4, 2014 (incorporated by reference to Exhibit 10.6 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2014)
10.5	Investment Guidelines (incorporated by reference to Exhibit 10.4 to Amendment No. 4 to New Residential Investment Corp.'s Registration Statement on Form 10, filed April 9, 2013)
10.6	Excess Servicing Spread Sale and Assignment Agreement, dated as of December 8, 2011, by and between Nationstar Mortgage LLC and NIC MSR I LLC (incorporated by reference to Exhibit 10.5 to Drive Shack Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2011)

Exhibit Number	Exhibit Description
10.7	Excess Spread Refinanced Loan Replacement Agreement, dated as of December 8, 2011, by and between Nationstar Mortgage LLC and NIC MSR I LLC (incorporated by reference to Exhibit 10.6 to Drive Shack Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2011)
10.8	Future Spread Agreement for FHLMC Mortgage Loans, dated as of May 13, 2012, by and between Nationstar Mortgage LLC and NIC MSR IV LLC (incorporated by reference to Exhibit 10.4 to Drive Shack Inc.'s Current Report on Form 8-K, filed May 15, 2012)
10.9	Future Spread Agreement for FNMA Mortgage Loans, dated as of May 13, 2012, by and between Nationstar Mortgage LLC and NIC MSR V LLC (incorporated by reference to Exhibit 10.2 to Drive Shack Inc.'s Current Report on Form 8-K, filed May 15, 2012)
10.10	Future Spread Agreement for Non-Agency Mortgage Loans, dated as of May 13, 2012, by and between Nationstar Mortgage LLC and NIC MSR VI LLC (incorporated by reference to Exhibit 10.6 to Drive Shack Inc.'s Current Report on Form 8-K, filed May 15, 2012)
10.11	Future Spread Agreement for GNMA Mortgage Loans, dated as of May 13, 2012, by and between Nationstar Mortgage LLC and NIC MSR VII, LLC (incorporated by reference to Exhibit 10.8 to Drive Shack Inc.'s Current Report on Form 8-K, filed May 15, 2012)
10.12	Current Excess Servicing Spread Acquisition Agreement for FHLMC Mortgage Loans, dated as of May 31, 2012, by and between Nationstar Mortgage LLC and NIC MSR III LLC (incorporated by reference to Exhibit 10.1 to Drive Shack Inc.'s Current Report on Form 8-K, filed June 6, 2012)
10.13	Future Spread Agreement for FHLMC Mortgage Loans, dated as of May 31, 2012, by and between Nationstar Mortgage LLC and NIC MSR III LLC (incorporated by reference to Exhibit 10.2 to Drive Shack Inc.'s Current Report on Form 8-K, filed June 6, 2012)
10.14	Amended and Restated Current Excess Servicing Spread Acquisition Agreement for FNMA Mortgage Loans, dated as of June 7, 2012, by and between Nationstar Mortgage LLC and NIC MSR II LLC (incorporated by reference to Exhibit 10.1 to Drive Shack Inc.'s Current Report on Form 8-K, filed June 7, 2012)
10.15	Amended and Restated Future Spread Agreement for FNMA Mortgage Loans, dated as of June 7, 2012, by and between Nationstar Mortgage LLC and NIC MSR II LLC (incorporated by reference to Exhibit 10.2 to Drive Shack Inc.'s Current Report on Form 8-K, filed June 7, 2012)
10.16	Amended and Restated Current Excess Servicing Spread Acquisition Agreement for FHLMC Mortgage Loans, dated as of June 7, 2012, by and between Nationstar Mortgage LLC and NIC MSR II LLC (incorporated by reference to Exhibit 10.3 to Drive Shack Inc.'s Current Report on Form 8-K, filed June 7, 2012)
10.17	Amended and Restated Future Spread Agreement for FHLMC Mortgage Loans, dated as of June 7, 2012, by and between Nationstar Mortgage LLC and NIC MSR II LLC (incorporated by reference to Exhibit 10.4 to Drive Shack Inc.'s Current Report on Form 8-K, filed June 7, 2012)
10.18	Amended and Restated Current Excess Servicing Spread Acquisition Agreement for Non-Agency Mortgage Loans, dated as of June 7, 2012, by and between Nationstar Mortgage LLC and NIC MSR II LLC (incorporated by reference to Exhibit 10.5 to Drive Shack Inc.'s Current Report on Form 8-K, filed June 7, 2012)
10.19	Amended and Restated Future Spread Agreement for Non-Agency Mortgage Loans, dated as of June 7, 2012, by and between Nationstar Mortgage LLC and NIC MSR II LLC (incorporated by reference to Exhibit 10.6 to Drive Shack Inc.'s Current Report on Form 8-K, filed June 7, 2012)
10.20	Amended and Restated Current Excess Servicing Spread Acquisition Agreement for FNMA Mortgage Loans, dated as of June 28, 2012, by and between Nationstar Mortgage LLC and NIC MSR V LLC (incorporated by reference to Exhibit 10.1 to Drive Shack Inc.'s Current Report on Form 8-K, filed July 5, 2012)
10.21	Amended and Restated Current Excess Servicing Spread Acquisition Agreement for FHLMC Mortgage Loans, dated as of June 28, 2012, by and between Nationstar Mortgage LLC and NIC MSR IV LLC (incorporated by reference to Exhibit 10.2 to Drive Shack Inc.'s Current Report on Form 8-K, filed July 5, 2012)
10.22	Amended and Restated Current Excess Servicing Spread Acquisition Agreement for Non-Agency Mortgage Loans, dated as of June 28, 2012, by and between Nationstar Mortgage LLC and NIC MSR VI LLC (incorporated by reference to Exhibit 10.3 to Drive Shack Inc.'s Current Report on Form 8-K, filed July 5, 2012)
10.23	Amended and Restated Current Excess Servicing Spread Acquisition Agreement for GNMA Mortgage Loans, dated as of June 28, 2012, by and between Nationstar Mortgage LLC and NIC MSR VII LLC (incorporated by reference to Exhibit 10.4 to Drive Shack Inc.'s Current Report on Form 8-K, filed July 5, 2012)

Exhibit Number	Exhibit Description
10.24	Current Excess Servicing Spread Acquisition Agreement for GNMA Mortgage Loans, dated as of December 31, 2012, by and between Nationstar Mortgage LLC and MSR VIII LLC (incorporated by reference to Exhibit 10.35 to Drive Shack Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012)
10.25	Future Spread Agreement for GNMA Mortgage Loans, dated as of December 31, 2012, by and between Nationstar Mortgage LLC and MSR VIII LLC (incorporated by reference to Exhibit 10.36 to Drive Shack Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012)
10.26	Current Excess Servicing Spread Acquisition Agreement for FHLMC Mortgage Loans, dated as of January 6, 2013, by and between Nationstar Mortgage LLC and MSR IX LLC (incorporated by reference to Exhibit 10.37 to Drive Shack Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012)
10.27	Future Spread Agreement for FHLMC Mortgage Loans, dated as of January 6, 2013, by and between Nationstar Mortgage LLC and MSR IX LLC (incorporated by reference to Exhibit 10.38 to Drive Shack Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012)
10.28	Current Excess Servicing Spread Acquisition Agreement for FNMA Mortgage Loans, dated as of January 6, 2013, by and between Nationstar Mortgage LLC and MSR X LLC (incorporated by reference to Exhibit 10.39 to Drive Shack Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012)
10.29	Future Spread Agreement for FNMA Mortgage Loans, dated as of January 6, 2013, by and between Nationstar Mortgage LLC and MSR X LLC (incorporated by reference to Exhibit 10.40 to Drive Shack Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012)
10.30	Current Excess Servicing Spread Acquisition Agreement for GNMA Mortgage Loans, dated as of January 6, 2013, by and between Nationstar Mortgage LLC and MSR XI LLC (incorporated by reference to Exhibit 10.41 to Drive Shack Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012)
10.31	Future Spread Agreement for GNMA Mortgage Loans, dated as of January 6, 2013, by and between Nationstar Mortgage LLC and MSR XI LLC (incorporated by reference to Exhibit 10.42 to Drive Shack Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012)
10.32	Current Excess Servicing Spread Acquisition Agreement for Non-Agency Mortgage Loans, dated as of January 6, 2013, by and between Nationstar Mortgage LLC and MSR XII LLC (incorporated by reference to Exhibit 10.43 to Drive Shack Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012)
10.33	Future Spread Agreement for Non-Agency Mortgage Loans, dated as of January 6, 2013, by and between Nationstar Mortgage LLC and MSR XII LLC (incorporated by reference to Exhibit 10.44 to Drive Shack Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012)
10.34	Current Excess Servicing Spread Acquisition Agreement for Non-Agency Mortgage Loans, dated as of January 6, 2013, by and between Nationstar Mortgage LLC and MSR XIII LLC (incorporated by reference to Exhibit 10.45 to Drive Shack Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012)
10.35	Future Spread Agreement for Non-Agency Mortgage Loans, dated as of January 6, 2013, by and between Nationstar Mortgage LLC and MSR XIII LLC (incorporated by reference to Exhibit 10.46 to Drive Shack Inc.'s Annual Report on Form 10-K for the fiscal year ended December 31, 2012)
10.36	Interim Servicing Agreement, dated as of April 1, 2013, by and among the Interim Servicers listed therein, HSBC Finance Corporation, as Interim Servicer Representative, HSBC Bank USA, National Association, SpringCastle America, LLC, SpringCastle Credit, LLC, SpringCastle Finance, LLC, Wilmington Trust, National Association, as Loan Trustee, and SpringCastle Finance LLC, as Owner Representative (incorporated by reference to Exhibit 10.35 to Amendment No. 4 to New Residential Investment Corp.'s Registration Statement on Form 10, filed April 9, 2013)
10.37	Second Amended and Restated Limited Liability Company Agreement of SpringCastle Acquisition LLC, dated as of March 31, 2016 (incorporated by reference to Exhibit 10.37 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2016)
10.38	Services Agreement, dated as of April 6, 2015, by and between HLSS Advances Acquisition Corp. and Home Loan Servicing Solutions, Ltd. (incorporated by reference to Exhibit 2.4 to New Residential Investment Corp.'s Current Report on Form 8-K, filed April 10, 2015)
10.39	Receivables Sale Agreement, dated as of August 28, 2015, by and among Ocwen Loan Servicing, LLC, HLSS Holdings, LLC and NRZ Advance Facility Transferor 2015-ON1 LLC (incorporated by reference to Exhibit 10.47 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015)

Exhibit Number	Exhibit Description
10.40	Receivables Pooling Agreement, dated as of August 28, 2015, by and between NRZ Advance Facility Transferor 2015-ON1 LLC and NRZ Advance Receivables Trust 2015-ON1 (incorporated by reference to Exhibit 10.48 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2015)
10.41#	Master Agreement, dated as July 23, 2017, by and among Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, HLSS MSR - EBO Acquisition LLC and New Residential Mortgage LLC (incorporated by reference to Exhibit 10.41 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017)
10.42	Amendment No. 1 to Master Agreement, dated as of October 12, 2017, by and among Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, HLSS MSR - EBO Acquisition LLC and New Residential Mortgage LLC (incorporated by reference to Exhibit 10.42 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017)
10.43#	Transfer Agreement, dated as of July 23, 2017, by and among Ocwen Loan Servicing, LLC, New Residential Mortgage LLC, Ocwen Financial Corporation and New Residential Investment Corp. (incorporated by reference to Exhibit 10.43 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017)
10.44#	Amendment No. 1 to the Transfer Agreement, dated January 18, 2018, by and among Ocwen Loan Servicing, LLC, New Residential Mortgage LLC, Ocwen Financial Corporation and New Residential Investment Corp. (incorporated by reference to Exhibit 10.44 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018)
10.45#	Subservicing Agreement, dated as of July 23, 2017, by and between New Residential Mortgage LLC and Ocwen Loan Servicing, LLC (incorporated by reference to Exhibit 10.44 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017)
10.46#	Amendment No. 1 to Subservicing Agreement, dated as of August 17, 2018, by and between New Residential
10.47#	Cooperative Brokerage Agreement, dated as of August 28, 2017, by and among REALHome Services and Solutions, Inc., REALHome Services and Solutions - CT, Inc. and New Residential Sales Corp. (incorporated by reference to Exhibit 10.45 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017)
10.48#	First Amendment to Cooperative Brokerage Agreement, dated as of November 16, 2017, by and among REALHome Services and Solutions, Inc., REALHome Services and Solutions - CT, Inc. and New Residential Sales Corp. (incorporated by reference to Exhibit 10.46 to New Residential Investment Corp.'s Annual Report on Form 10-K for the year ended December 31, 2017, filed on February 14, 2018)
10.49#	Second Amendment to Cooperative Brokerage Agreement, dated as of January 18, 2018, by and among REALHome Services and Solutions, Inc., REALHome Services and Solutions - CT, Inc. and New Residential Sales Corp. (incorporated by reference to Exhibit 10.47 to New Residential Investment Corp.'s Annual Report on Form 10-K for the year ended December 31, 2017, filed on February 14, 2018)
10.50	Third Amendment to Cooperative Brokerage Agreement, dated as of March 23, 2018, by and among REALHome Services and Solutions, Inc., REALHome Services and Solutions - CT, Inc. and New Residential Sales Corp. (incorporated by reference to Exhibit 10.49 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018)
10.51	Fourth Amendment to Cooperative Brokerage Agreement, dated as of September 11, 2018, by and among REALHome Services and Solutions, Inc., REALHome Services and Solutions - CT, Inc. and New Residential Sales Corp.
10.52#	Letter Agreement, dated as of August 28, 2017, by and among New Residential Investment Corp., New Residential Mortgage LLC, REALHome Services and Solutions, Inc., REALHome Services and Solutions - CT, Inc. and Altisource Solutions S.a.r.l. (incorporated by reference to Exhibit 10.46 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2017)
10.53#	New RMSR Agreement, dated as of January 18, 2018, by and among Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, HLSS MSR - EBO Acquisition LLC, and New Residential Mortgage LLC (incorporated by reference to Exhibit 10.51 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2018)
10.54#	Amendment No. 1 to New RMSR Agreement, dated as of August 17, 2018, by and among Ocwen Loan Servicing, LLC, HLSS Holdings, LLC, HLSS MSR - EBO Acquisition LLC, and New Residential Mortgage LLC

Exhibit Number	Exhibit Description
10.55#	Subservicing Agreement, dated as of August 17, 2018, by and between New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing New Residential Mortgage LLC and Ocwen Loan Servicing, LLC
31.1	Certification of Chief Executive Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

† Schedules and exhibits may have been omitted pursuant to Item 601(b)(2) of Regulation S-K.

Portions of this exhibit have been omitted pursuant to a request for confidential treatment.

The following second amended and restated limited liability company agreements of the Consumer Loan Companies are substantially identical in all material respects, except as to the parties thereto and the initial capital contributions required under each agreement, to the Second Amended and Restated Limited Liability Company Agreement of SpringCastle Acquisition LLC that is filed as Exhibit 10.37 hereto and are being omitted in reliance on Instruction 2 to Item 601 of Regulation S-K:

- Second Amended and Restated Limited Liability Company Agreement of SpringCastle America, LLC, dated as of March 31, 2016.
- Second Amended and Restated Limited Liability Company Agreement of SpringCastle Credit, LLC, dated as of March 31, 2016.
- Second Amended and Restated Limited Liability Company Agreement of SpringCastle Finance, LLC, dated as of March 31, 2016.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized:

NEW RESIDENTIAL INVESTMENT CORP.

By: /s/ Michael Nierenberg
Michael Nierenberg
Chief Executive Officer and President
(Principal Executive Officer)

October 30, 2018

By: /s/ Nicola Santoro, Jr.
Nicola Santoro, Jr.
Chief Financial Officer and Treasurer
(Principal Financial Officer)

October 30, 2018

By: /s/ David Schneider
David Schneider
Chief Accounting Officer
(Principal Accounting Officer)

October 30, 2018

CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

AMENDMENT NUMBER ONE
Subservicing Agreement
dated as of August 17, 2018
by and between
NEW RESIDENTIAL MORTGAGE LLC
and
OCWEN LOAN SERVICING, LLC

This AMENDMENT NUMBER ONE is made this 17th day of August, 2018, by and between OCWEN LOAN SERVICING, LLC, as subservicer (the "Subservicer"), and NEW RESIDENTIAL MORTGAGE LLC, as owner/servicer (the "Owner/Servicer"), to that certain Subservicing Agreement, dated as of July 23, 2017 (the "Agreement"), by and between the Subservicer and the Owner/Servicer.

RECITALS

WHEREAS, the Subservicer and the Owner/Servicer desire to amend the Agreement, subject to the terms hereof, to modify the Agreement as specified herein; and

WHEREAS, the Subservicer and the Owner/Servicer each have agreed to execute and deliver this Amendment Number One on the terms and conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. Amendments. Effective as of August 17, 2018, the Agreement is hereby amended as follows:

(a) The Agreement is hereby amended by replacing all references to "Subservicer Parent" with "Corporate Parent".

(b) Article I of the Agreement is hereby amended by adding the following new definitions in alphabetical order therein:

"Confidentiality Agreement: That certain Confidentiality Agreement, dated as of May 5, 2015, by and between New Residential Investment Corp. and Subservicer."

"Disclosing Party: Shall have the meaning assigned to such term in Section 10.12."

"New RMSR Agreement: That certain New RMSR Agreement, dated as of January 18, 2018, by and among the Subservicer, Owner/Servicer, HLSS and MSR – EBO, as amended, supplemented or otherwise modified from time to time."

"NRM Agency Subservicing Agreement : The Subservicing Agreement, dated as of August 17, 2018, between NRM, as owner/servicer, and Subservicer, as subservicer for agency loans."

"NRZ O/S Entity: Each of Owner/Servicer, Shellpoint, HLSS and MSR – EBO."

"NRZ Servicing/Subservicing Agreement : Each of the this Agreement, the Servicing Addendum and the Shellpoint PLS Subservicing Agreement."

"PHH: PHH Mortgage Corporation."

"PMI Proceeding Advance : Any and all Losses incurred by the Subservicer (or any agent, attorney, Vendor and/or representative of the Subservicer) in connection with any PMI Proceeding, regardless whether the Subservicer and/or the Owner/Servicer is entitled under the related Servicing Agreement to be reimbursed for such Losses."

"Servicing Addendum: That certain Servicing Addendum attached as Annex 1 to the New RMSR Agreement as may be amended, supplemented or otherwise modified from time to time."

"Shellpoint: New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing."

"Shellpoint PLS Subservicing Agreement : The Subservicing Agreement, dated as of August 17, 2018, between Shellpoint, as owner/servicer, and Subservicer, as subservicer for non-agency loans."

(a) The definition of "Affiliate" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Affiliate: (i) With respect to Subservicer, Corporate Parent, OMS, Homeward Residential Holdings, Inc., Homeward Residential Inc. and the direct or indirect wholly-owned subsidiaries of Subservicer and the direct or indirect subsidiaries of Corporate Parent involved in forward mortgage servicing, forward mortgage lending or related ancillary services and (ii) with respect to the Owner/Servicer, HLSS, MSR-EBO, Shellpoint, New Residential Investment Corp. and the direct or indirect wholly-owned subsidiaries of New Residential Investment Corp."

(b) The definition of "Approved Third-Party Appraisers" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Approved Third-Party Appraisers: The following parties and any other residential mortgage servicing appraisal service provider agreed upon by Owner/Servicer and the Subservicer as an "Approved Third-Party Appraiser" for purposes of this Agreement: [***], or any successors thereto, unless either party hereto provides written notice to the other party of its disapproval of such successor."

(c) The definition of "Change of Control" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Change of Control: Unless otherwise consented to by Owner/Servicer (a decision on which shall not be unreasonably delayed) with respect to the Subservicer, shall mean (i) any transaction or event as a result of which the Corporate Parent ceases to own, directly or indirectly, more than 50% of the stock of Subservicer; (ii) the sale, transfer, or other disposition of all or substantially all of Subservicer's assets (excluding any such action taken in connection with any securitization transaction or routine sales of mortgage loans); or (iii) the consummation of a merger or consolidation of Subservicer with or into another entity or any other corporate reorganization, if more than fifty percent (50%) of the combined voting power of the continuing or surviving entity's equity outstanding immediately after such merger, consolidation or such other reorganization is owned by persons who were not equityholders of the Subservicer immediately prior to such merger, consolidation or other reorganization. Unless otherwise consented to by Owner/Servicer (a decision on which consent shall not be unreasonably delayed) with respect to the Corporate Parent, shall mean (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Effective Date) shall have obtained the power (whether or not exercised) to elect a majority of the board of directors (or equivalent governing body) of the Corporate Parent (ii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Effective Date) is or shall become the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act as in effect on the Effective Date), directly or indirectly, of forty nine percent (49%) or more on a fully diluted basis of the voting interests in the Corporate Parent's Equity Interests, or (iii) the current members of the Corporate Parent's board of directors as of the Effective Date (or equivalent governing body) shall cease to represent a majority of the directors of the Corporate Parent's board of directors (or equivalent governing body). Notwithstanding the foregoing, Owner/Servicer agrees that it shall be deemed to consent to the transaction set forth on Schedule 1.1."

(d) The definition of "Business Day" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

> Business Day: Any day other than (a) a Saturday or Sunday, (b) a day on which banking institutions in the States of New York, California, Florida, Iowa, Texas, New Jersey or the Commonwealth of Pennsylvania are authorized or obligated by law or by executive order to be closed, (c) a day that is not a business day as provided in the applicable Servicing Agreement or (d) such other days as agreed upon by the parties in writing.

(e)

(f) The definition of "Confidential Information" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

> "Confidential Information: Any and all information regarding the transactions contemplated by this Agreement, Consumer Information, the proprietary, confidential and non-public information or material relating to the business (including business practices) of the Disclosing Party (as defined in Section 10.12) (or the Disclosing Party's clients and investors), information regarding the financial condition, operations and prospects of the Disclosing Party, and any other information that is disclosed to one party by or on behalf of the other party or any of their respective Affiliates or representatives, either directly or indirectly, in writing, orally or by drawings or by permitting inspection of documents or other tangible expression, whether exchanged before or after the date of this Agreement, and contained in any medium, which the Disclosing Party considers to be non-public, proprietary or confidential. Confidential Information includes (but is not limited to) all (a) information relating to HLSS and MSR–EBO's interest in the Rights to MSRs and/or Excess Servicing Fee (each as defined in the New RMSR Agreement) or the amount, characteristics or performance of the Mortgage Loans or any economic or noneconomic terms of this Agreement; (b) information relating to research and development, discoveries, formulae, inventions, policies, guidelines, displays, specifications, drawings, codes, concepts, practices, improvements, processes, know-how, patents, copyrights, trademarks, trade names, trade secrets, and any application for any patent, copyright or trademark; and (c) descriptions, financial and statistical data, business plans, data, pricing, reports, business processes, recommendations, accounting information, identity of suppliers, business relationships, personnel information, technical specifications, computer hardware or software, information systems, customer lists, costs, product concepts and features, corporate assessments strategic plans, services, formation of investment strategies and policies, other plans, or proposals, and all information encompassed in the foregoing. Information relating to the Disclosing Party's consultants, employees, clients, investors, customers, members, vendors, research and development, software, financial condition or marketing plans is also considered Confidential Information."

(g) The definition of "Consumer Information" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Consumer Information: Any personally identifiable information relating to a Mortgagor which is considered "nonpublic personal information" of "customers" or "consumers" as those terms are defined in the GLBA."

(h) The definition of "Exit Fee Percentage" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Exit Fee Percentage: The applicable basis points set forth in Exhibit D associated as of the actual transfer date set forth in Exhibit D."

(i) The definition of "Material Adverse Effect" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Material Adverse Effect: With respect to the Subservicer (a) a Material Adverse Change with respect to the Subservicer or any of its Affiliates taken as a whole; (b) a material impairment of the ability of the Subservicer to perform under this Agreement, or to avoid a Subservicer Termination Event; (c) a material adverse effect upon the legality, validity, binding effect or enforceability of this Agreement against the Subservicer; or (d) a material adverse effect upon the value or marketability of a material portion of the Servicing Rights related to the Mortgage Loans subserviced pursuant to this Agreement and subserviced or serviced pursuant to any NRZ Servicing/Subservicing Agreement, taken as a whole. With respect to the Servicing Rights related to the Mortgage Loans subserviced pursuant to this Agreement and subserviced or serviced pursuant to any NRZ Servicing/Subservicing Agreement, a material adverse effect (a) upon the value or marketability of a material portion of the Servicing Rights or (b) on the ability of the Subservicer to realize the full benefits of the Servicing Rights. With respect to the Owner/Servicer (a) a Material Adverse Change with respect to the Owner/Servicer or any of its Affiliates taken as a whole; (b) a material impairment of the ability of the Owner/Servicer to perform under this Agreement, or to avoid any Owner/Servicer Termination Event under this Agreement (that cannot be timely cured, to the extent a cure period is applicable); (c) a material adverse effect upon the legality, validity, binding effect or enforceability of this Agreement against the Owner/Servicer; or (d) a material adverse effect upon the value or marketability of a material portion of the Servicing Rights related to the Mortgage Loans subserviced pursuant to this Agreement and any NRZ Servicing/Subservicing Agreement, taken as a whole ."

(j) The definition of "Measurement Balance" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following:

"Measurement Balance: As of any date of determination, the unpaid principal balance of the Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement).

(k) The definition of "Measurement Loans" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Measurement Loans: Other than any Mortgage Loans with respect to which the Subservicer is solely performing Master Servicing functions, the Prior Ocwen Serviced Loans hereunder and under any NRZ Servicing/Subservicing Agreement or any mortgage loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement and any Mortgage Loans subject to an MSRPA Servicing Agreement (as defined in the New RMSR Agreement) as of the date of the New RMSR Agreement or that were previously subject to a Deferred Servicing Agreement (as defined in the Master Agreement) and which, in each case, are being serviced or subserviced by Subservicer for any NRZ O/S Entity or any of their respective Affiliates or securitizations sponsored by New Residential Investment Corp. or any of its subsidiaries, including on an interim basis, but excluding any Mortgage Loans with respect to which (x) the Servicing Rights have been transferred to a third party pursuant to the New RMSR Agreement or the Servicing Addendum, (y) the Rights to MSRs (as defined in the New RMSR Agreement) and Transferred Receivables Assets (as defined in the New RMSR Agreement) have been transferred to Subservicer or an Affiliate of Subservicer pursuant to the New RMSR Agreement or the Servicing Addendum or (z) the subservicing of such Mortgage Loans is being performed by a party other than Subservicer or an Affiliate of Subservicer pursuant to Section 5.7 of the Servicing Addendum."

(l) The definition of "Performance Triggers" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Performance Triggers: Any of the events set forth on Exhibit J, as may be modified by mutual agreement of the parties from to time, including upon the addition of additional Mortgage Loans as reflected in an Acknowledgment Agreement, or through other written agreement of the parties, it being understood that, to the extent applicable, the Seller, the Purchasers and the NRZ O/S Entities shall coordinate with respect to any modifications to the Performance Triggers under and as defined in the respective NRZ Subservicing Agreement and any modifications to the Performance Triggers hereunder."

(m) The definition of "REO Disposition Services" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"REO Disposition Services: The services provided by a Vendor or services which such Vendor controls, which shall include, without limitation, valuation services, property preservation and inspection, trustee services, insurance, title services, management services, liquidation services (REO sales, short sales), due diligence services, mortgage charge off collection, mortgage fulfillment and underwriting services unless otherwise agreed to by the parties, but shall exclude umbrella insurance on REO Properties."

(n) The definition of "Representatives" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Representatives: With respect to the Owner/Servicer or any NRZ O/S Entity, the employees, managers, advisors, agents, contractors, counsel, auditors and other representatives of the Owner/Servicer or such NRZ O/S Entity."

(o) The definition of "Servicing Advance" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Servicing Advance: All customary, reasonable and necessary actual "out of pocket" costs and expenses incurred by the Subservicer in accordance with the Applicable Requirements and the Advance Policy, and after the Transfer Date, subject to the terms of this Agreement, excluding (i) any P&I Advance or indemnification amounts payable by the Subservicer pursuant to this Agreement and (ii) any PMI Proceeding Advances."

(p) The definition of "Termination Fee" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Termination Fee: The fee payable by the Owner/Servicer to the Subservicer as provided in Section 5.4(a) and (b) which fee, if any, shall equal the applicable amount set forth in Exhibit C-1 and calculated in accordance with Exhibit C-2, shall not be refundable under any circumstances, and shall not be subject to reduction by way of setoff, recoupment, defense, counterclaim, or otherwise (except as set forth below); provided, however, any Termination Fee paid pursuant to this Agreement with respect to any Mortgage Loans shall be reduced by the payment of any Termination Fee received by Subservicer under any NRZ Servicing/Subservicing Agreement with respect to such Mortgage Loans and in no event shall the aggregated Termination Fee for all NRZ Servicing/Subservicing Agreements exceed the amount set forth on Exhibit C-1.

(q) The definition of "Transfer Agreement" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Transfer Agreement: That certain Transfer Agreement dated as of July 23, 2017, among Subservicer, Owner/Servicer, Corporate Parent and New Residential Investment Corp, as may be amended, supplemented or otherwise modified from time to time."

(r) The definition of "Vendor" in Article I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Vendor: Any contractor, vendor, real estate broker and/or service provider (which may be an Affiliate of the Owner/Servicer) engaged by the Subservicer and involved in providing services with respect to any Mortgage Loans or Subservicing in accordance with and subject to the terms of this Agreement."

(s) The Agreement is hereby amended by deleting Sections 2.1(c), (d), (e) and (h) in their entirety and replacing them with the following:

"(c) Notwithstanding anything to the contrary, to the extent any documentation, policies, notices, contracts, reporting, and/or related information delivered by Subservicer under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement are explicitly permitted under this Agreement to be combined with (and/or delivered in lieu of) the documentation, policies, notices, contracts, reporting, and/or related information which Subservicer is obligated to deliver to the Owner/Servicer hereunder, such delivery to the Owner/Servicer of either a combined report or a report in lieu of a report to be delivered hereunder shall, in any case, (i) be substantially similar in form and substance to the related documentation, (ii) applicable to the Mortgage Loans or the Subservicer's servicing platform, and (iii) related to the policies, notices, contracts, reporting and/or information which Subservicer is obligated to deliver to the Owner/Servicer hereunder.

(d) Notwithstanding any provision in this Agreement to the contrary, the parties acknowledge that all of the Mortgage Loans that become subject to this Agreement are serviced or subserviced by the Subservicer immediately preceding the Transfer Date (each, a "Prior Ocwen Serviced Loan") and that no physical transfer of servicing shall be required with respect to such Prior Ocwen Serviced Loan except as may be necessary to reflect the Owner/Servicer's ownership of the Servicing Rights and any related requirements under Applicable Requirements. For such Prior Ocwen Serviced Loans, the parties' respective obligations and liabilities with respect to the Prior Ocwen Serviced Loans relating to matters occurring during the period of time prior to the applicable Transfer Date shall be as set forth in the Transfer Agreement.

(e) Upon the Owner/Servicer's request, the Subservicer shall reasonably cooperate with the Owner/Servicer and any backup servicer designated by the Owner/Servicer, including, but not limited to, working and coordinating with such backup servicer's

personnel to provide applicable mapping system fields, data checks, conversion routines and such other assistance to enable such backup servicer to receive readable data from the Subservicer on a periodic basis, provided, however, that, any such back-up servicer shall be approved by the Seller pursuant to Section 2.3(f) and to the extent a backup servicer has been engaged by an NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Owner/Servicer may not designate a different backup servicer hereunder. On a monthly basis, at no additional charge (unless requested more frequently than monthly), Subservicer shall provide to Owner/Servicer and to any backup servicer designated by the Owner/Servicer the information, in readable form, set forth in Schedule 2.1(e) with respect to the Mortgage Loans subserviced hereunder. In addition, the Subservicer shall provide information and data regarding the Mortgage Loans and Servicing Rights to the designated backup servicer as required by such backup servicer, including but not limited to contacts for Vendors and Default Firms performing services on the Mortgage Loans, images of Mortgage Servicing Files in Subservicer's possession or control, and reports identifying the party in possession of the Mortgage Loan Documents from the Custodian. Except with respect to the monthly data transmission described above, the Owner/Servicer shall reimburse the Subservicer for its out-of-pocket costs and expenses or its internally allocated costs and expenses, as applicable, incurred by the Subservicer in connection with its cooperation with such backup servicer in accordance with the process set forth in Section 2.3(d) of this Agreement. The Subservicer's obligation to provide any information to a back-up servicer shall only arise following the backup servicer and Subservicer entering into a customary, mutually agreeable non-disclosure agreement which will limit such back-up servicer's use of information provided by or on behalf of Subservicer to the purpose of providing such back-up services.

(h) Notwithstanding anything set forth in this Agreement to the contrary, with respect to the Servicing Rights for which Owner/Servicer is acting as Master Servicer, (i) the Owner/Servicer hereby appoints the Subservicer as its agent to be the REMIC administrator for each Servicing Agreement which requires the Master Servicer under such Servicing Agreement to perform the duties of the REMIC administrator therein and the Subservicer shall perform such obligations of the REMIC administrator in accordance with the terms of (1) the Agreement (unless expressly set forth in Exhibit R) and (2) the applicable Servicing Agreement and (ii) the Subservicer shall not have the obligations specifically excluded under the addendum set forth in Exhibit R (the "Master Servicing Addendum") attached hereto; provided that such exclusions shall only apply to the Subservicer's performance of the Master Servicer's obligations of the Subservicer and not to any primary or subservicing obligations relating to the same Mortgage Loans with respect to the Subservicer acting as SBO Servicer."

(t) The Agreement is hereby amended by deleting Section 2.1(g) in its entirety and replacing it with the following:

"(g) For any New Mortgage Loans, the Subservicer shall subservice each such New Mortgage Loan pursuant to the NRM Agency Subservicing Agreement."

(u) The Agreement is hereby amended by deleting Section 2.2(a)(v) in its entirety and replacing it with the following:

"(v) Maintain accurate records reflecting the status of taxes, ground rents, and other recurring similar charges generally accepted by the mortgage servicing industry, which would become a lien on the Mortgaged Property. For all Mortgage Loans providing for the payment to and collection by the Subservicer of Escrow Payments for taxes, ground rents, or such other recurring charges, the Subservicer shall remit payments for such charges before any penalty date. The Subservicer assumes responsibility for the timely remittance of all such payments and will hold harmless and indemnify the Owner/Servicer and the applicable Investor from any and all Losses resulting from the Subservicer's failure to discharge said responsibility subsequent to the Transfer Date of the particular Mortgage Loan by the Subservicer; provided, however, that Subservicer shall not be obligated to indemnify any Investor for any Losses other than as expressly set forth in the applicable Servicing Agreement. The Subservicer shall promptly notify the Owner/Servicer if it becomes aware of any missing or erroneous information with respect to the Mortgage Loans that is preventing or impeding the Subservicer from timely meeting tax or other payments obligations with respect to the Mortgage Loans or from otherwise meeting the Subservicer's obligations under this Agreement. Within thirty (30) days of each Transfer Date, the Subservicer shall notify the Owner/Servicer in writing identifying the related Mortgage Loans for which assignable life-of-loan tax service or life of loan flood service contracts have not been provided to the Subservicer in connection with the servicing transfer;"

(v) The Agreement is hereby amended by deleting Section 2.2(a)(ix) in its entirety and replacing it with the following:

"(ix) With respect to Mortgage Loans covered by PMI policies, the Subservicer shall comply with all requirements of the applicable PMI Companies, including requirements concerning the giving of notices and submitting of claims required to be given or submitted pursuant to Applicable Requirements. In connection with any assumption or substitution agreement entered into or to be entered as permitted under Applicable Requirements, the Subservicer shall promptly notify the related PMI Company, if any, of such assumption or substitution of liability in accordance with the terms of the PMI policy. The Subservicer shall provide to the Owner/Servicer a monthly report as set forth in Exhibit E regarding notices of rescission of PMI policies, it being understood that Subservicer may deliver a single report to any NRZ O/S Entity covering all such notices applicable to the Mortgage Loans being subserviced under any NRZ Servicing/Subservicing Agreement, the NRM Agency Subservicing Agreement and the Mortgage Loans being serviced hereunder and such delivery shall be deemed to constitute delivery hereunder;"

(w) The Agreement is hereby amended by deleting Section 2.2(a)(xvii) in its entirety and replacing it with the following:

"(xvii) Maintain the Mortgage Servicing Files and the Mortgage Loan Documents in its possession pursuant to Applicable Requirements and maintain a record of its handling of such documents and files. Any Mortgage Loan Documents that are in the possession of the Subservicer shall be held in secure and fireproof facilities or storage areas in accordance with customary standards for the custody of similar documents and Applicable Requirements. The Subservicer shall allow the Owner/Servicer, its Affiliates and its agents to conduct such audits, from time to time, to confirm the Subservicer's recordkeeping, storage and security practices with respect to such files and documents, it being understood that Owner/Servicer and its Affiliates shall coordinate with each other with respect to such audits and any such audits conducted under this Agreement, the NRM Agency Subservicing Agreement and the NRZ Servicing/Subservicing Agreements. The Subservicer shall only release Mortgage Servicing Files and Mortgage Loan Documents in its possession pursuant to this Agreement and Applicable Requirements. Notwithstanding the foregoing sentence, in connection with an examination or any request by any Investor or Governmental Authority, the Subservicer shall use all commercially reasonable efforts to release any requested Mortgage Servicing Files and/or Mortgage Loan Documents in its possession pursuant to this Agreement and Applicable Requirements and shall deliver any such documents within the time frame set forth by such Investor or Governmental Authority. Any documents or files that are released by the Subservicer shall be properly tracked and pursued to the extent such documents or files are not returned to the Subservicer or to the Custodian. The Subservicer shall provide the Owner/Servicer with information related to documents or files that have been released by the Subservicer promptly upon request. The Subservicer shall cooperate in good faith with the Owner/Servicer in connection with clearing any document exceptions with respect to such releases, consistent with Applicable Requirements."

(x) The Agreement is hereby amended by deleting Section 2.2(e) in its entirety and replacing it with the following:

"(e) The Subservicer shall maintain its current internal quality control program that reviews, on a regular basis, its compliance with and conformity to all Applicable Requirements (including all applicable regulations, rules, directives and published guidance of the CFPB, as such may be amended, modified or supplemented from time to time) to which the Subservicer and the Corporate Parent is subject. The quality control program shall include (i) evaluating and monitoring the overall quality of the Subservicer's loan servicing and origination activities, including collection call programs, in accordance with industry standards and this Agreement and (ii) tests of business process controls and loan level samples. Subject to Section 10.17, the Subservicer shall provide to the Owner/Servicer reports related to such quality control

program as set forth on Exhibit Q. The Subservicer shall provide the Owner/Servicer with a copy of its quality control program on or prior to the Effective Date, and shall provide or make available the quality control program in accordance with Exhibit Q. The Subservicer shall provide the Owner/Servicer with notice of any material modifications to the quality control program as promptly as possible and in any event not later than within one calendar month following the implementation of such material modification. In the event of a material modification to the quality control program, the Owner/Servicer shall have the option to perform a due diligence review of the revised quality control program on reasonable notice to the Subservicer and the Subservicer shall cooperate with due diligence requests from the Owner/Servicer. The Owner/Servicer and Subservicer agree that any report or notices delivered to any NRZ O/S Entity pursuant to Section 2.2(e) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been delivered hereunder."

(y) The Agreement is hereby amended by deleting Section 2.3(d) in its entirety and replacing it with the following:

"(d) To the extent such Change Requests or Subservicer's compliance with Section 2.1(e), would result in the Subservicer incurring any additional out-of-pocket costs or expenses or internally allocated costs or expenses, which collectively are in excess of $[***] in connection with the implementation of such changes (and measured together with any similar Change Request delivered by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement) , the Subservicer shall provide the Owner/Servicer with a good faith estimate regarding the costs and expenses needed to implement the contemplated work on the Owner/Servicer's behalf and reasonable supporting documentation. If such work will involve third party costs or expenses, the Subservicer shall follow Owner/Servicer's reasonable instructions regarding the retention of such third party providers, including the terms of such retention, related requests for proposals, seeking fixed prices or caps or similar arrangements and establishing time commitments from such third parties. Any such estimate shall also include the anticipated time frame for implementation of such work. Such estimate shall also include the ongoing incremental expense of performing the work in a modified manner as described in the Change Request. If the Owner/Servicer consents to the Subservicer performing such work on its behalf, the parties will enter into a mutually acceptable agreement for implementation of such work (such agreement, a "Statement of Work "), which shall be performed by the Subservicer on a commercially-reasonable, best-efforts basis. Upon the due execution by both parties, the Statement of Work shall constitute an amendment to this Agreement without further action on the part of either party. The Subservicer shall perform the services set forth in the Statement of Work in the manner provided therein, and the Owner/Servicer shall pay for any agreed upon cost, if any, of the implementation and any additional services resulting therefrom, in each case in accordance with the terms

of the Statement of Work and this Agreement in accordance with the process set forth in Section 2.3(d) of this Agreement. If the actual internally allocated costs and expenses are greater than the estimated amount, (i) the Owner/Servicer shall not be liable for any amounts in excess of such invoiced amount and (ii) the Subservicer shall perform all such contemplated work within the agreed upon timeframe. Subject to Owner/Servicer's approval of the terms of retention of the applicable third parties in accordance with this Section 2.3(d), if the actual out-of-pocket costs and expenses are greater than the estimated amount, the Owner/Servicer shall reimburse the Subservicer for all such amounts. Subservicer shall regularly communicate with Owner/Servicer regarding the status of performance of any Statement of Work hereunder, including with respect to any actual or expected delays or cost overruns. Owner/Servicer agrees that to the extent any NRZ O/S Entity and Subservicer are contemplating or implementing a similar Change Request under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Owner/Servicer shall coordinate with such NRZ O/S Entity on a single set of estimates, instructions, reporting, processes and Statements of Work. For the avoidance of doubt, the parties understand and agree that a Statement of Work shall not be required to implement (i) the services already enumerated or contemplated under this Agreement (other than the services contemplated by this Section 2.3 or any other services or activities in this Agreement that are expressly subject to the Statement of Work process set forth in this Section 2.3) or (ii) other services or projects previously commenced by the Subservicer on behalf of the Owner/Servicer."

(z) The Agreement is hereby amended by deleting Sections 2.3(f) and (g) in their entirety and replacing them with the following:

"(f) *Approval Process*. Any Approved Party, Substitute Vendor, backup servicer or [***] shall be subjected to Subservicer's usual and customary vendor onboarding process (consistent with its practices prior to the Effective Date or improvements that Subservicer makes to such process on a platform-wide basis). Following such onboarding process, if Subservicer identifies that such Person has material deficiencies or would be reasonably likely to violate Applicable Requirements, in each case consistent with Subservicer's practices prior to the Effective Date or improvements that Subservicer makes to such process on a platform-wide basis, Subservicer shall notify Owner/Servicer in writing and shall provide the basis for determining that such Person has material deficiencies and/or would be reasonably likely to violate Applicable Requirements. [***]

(g) In addition to the Owner/Servicer's indemnification obligations set forth in Section 8.3, the Owner/Servicer shall indemnify and hold the Subservicer harmless against any and all Losses resulting from or arising out of [***]. For purposes of this Section 2.3(g), a "Directed Provider" shall be any Approved Party, Substitute Vendor, backup servicer [***] proposed by the Owner/Servicer in accordance with the terms of this Agreement and onboarded in accordance with and subject to Section

2.3(f). For the avoidance of doubt, Subservicer's interaction and/or cooperation with any Directed Provider shall not constitute an endorsement, evaluation or view of or by the Subservicer as to whether any agreement between Owner/Servicer and any Directed Provider complies with Applicable Requirements."

(aa) The Agreement is hereby amended by adding the following sentence to the beginning of Section 2.4:

"At any time prior to the date New Residential Mortgage LLC is terminated as Owner/Servicer:"

(ab) The Agreement is hereby amended by deleting Sections 2.4(b), (c), (d), (f), (g) and (j) in their entirety and replacing them with the following:

"(b) From time to time, the Subservicer may engage other Vendors in addition to those appearing on Exhibit I-1 to provide services to the Subservicer that are related to the Mortgage Loans. The Subservicer shall not engage any Vendors or Default Firms to provide services with respect to any Mortgage Loan if such Vendor or Default Firm is on any of the (i) Freddie Mac Exclusionary List, (ii) Specifically Designated Nationals and Blocked Persons List published by OFAC, (iii) Suspended Counterparty Program list published by FHFA, or (iv) Subservicer's internal exclusionary list, and shall promptly (x) notify Owner/Servicer if any such Vendor or Default Firm becomes subject to any such exclusionary list, and (y) replace any such Vendor or Default Firm. In the event any such additional Critical Vendor is identified by the Owner/Servicer as having been deficient in the reasonable judgment of the Owner/Servicer, the Owner/Servicer shall notify the Subservicer with its concerns of such Critical Vendor. The Subservicer shall notify the Owner/Servicer of additional Critical Vendors at the timing set forth in Exhibit E-1. The Subservicer shall promptly respond to the Owner/Servicer and the parties hereto shall cooperate in good faith to resolve the Owner/Servicer's concerns and/or findings relating to Critical Vendors, including but not limited to determining if such deficiencies can be corrected or to replace Critical Vendors, as applicable, with another Vendor or Default Firm, as applicable, mutually acceptable to the parties and in accordance with Applicable Requirements. In addition, the Subservicer shall promptly notify the Owner/Servicer of any material deficiencies with respect to any Vendor and/or Default Firm used by the Subservicer with respect to any Mortgage Loan. To the extent that the same Vendor or Default Firm is being utilized under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Owner/Servicer will coordinate with the related NRZ O/S Entity regarding all inquiries, notices and determinations with respect to such Vendor or Default Firm.

(c) With respect to any Vendor that performs any Mortgagor-facing activity, Owner/Servicer-facing activity and/or Investor-facing activity, the Subservicer shall routinely, in accordance with Applicable Requirements, (i) examine and audit the

books, records, and/or other information of any such Vendor and (ii) monitor the activities of such Vendor (including but not limited to reviewing call transcripts and listening to audio-recordings of calls to Mortgagors). The Subservicer shall promptly deliver to the Owner/Servicer at least ninety (90) calendar days (or if a shorter period of time is necessary for Subservicer's ongoing business continuity purposes, not later than the date the potential vendor enters into Subservicer's input process) advance written notice of any Off-shore Vendors that the Subservicer intends to cause to perform any Mortgagor-facing activity, Owner/Servicer-facing activity and/or Investor-facing activity, it being understood that Subservicer may combine such notice with any similar notice(s) delivered to any NRZ O/S Entity in connection with the utilization of such Off-shore Vendors in connection with the related NRZ Servicing/Subservicing Agreement(s) or the NRM Agency Subservicing Agreement.

(d) All foreclosure attorneys, bankruptcy attorneys and eviction attorneys (collectively, " Default Firms") and all Vendors to be used in connection with the servicing and administration of the Mortgage Loans and REO Properties shall (i) be engaged in accordance with Applicable Requirements and (ii) have any and all qualifications, licenses and/or approvals necessary to perform their respective services in this Agreement in accordance with Applicable Requirements. The Subservicer shall (x) review on at least an annual basis that each Default Firm providing foreclosure or bankruptcy services that its attorneys are licensed to practice in the relevant jurisdiction and are in good standing in the relevant jurisdictions and bars, (y) provide an annual certification to the Owner/Servicer to the matters in clause (x) of this Section 2.4(d) (by the Subservicer or each Default Firm) and shall state each Default Firm meets Agency requirements and Applicable Requirements, and (z) provide the Owner/Servicer with copies of such evidence available to the Subservicer upon reasonable request of the Owner/Servicer, it being understood that any certifications or other materials provided by Subservicer to an NRZ O/S Entity pursuant to Section 2.4(d) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been delivered to Owner/Servicer hereunder. Within thirty (30) days of the Effective Date, the Subservicer shall (i) provide a report to the Owner/Servicer identifying any Default Firm which received an "objection" or other similar classification from any Agency to the extent the Subservicer submitted such Default Firm to an Agency for servicing Agency loans in the Subservicer's servicing portfolio, it being understood that to the extent such report have been made available to any NRZ O/S Entity pursuant to Section 2.4(d) of the any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reports shall be deemed to have been made available hereunder and (ii) shall cooperate with Owner/Servicer to evaluate what steps, if any, should be taken as a result of such objection."

"(f) The Subservicer shall oversee all Vendors, Off-shore Vendors and Default Firms in accordance with the Vendor Oversight Guidance and its third-party management policy, and require that all Vendors, Off-shore Vendors and Default Firms on the Vendor List maintain and provide policies and procedures applicable

to the services provided in a manner consistent with all Applicable Requirements, the Vendor Oversight Guidance and the servicing standards under this Agreement. Solely as it relates to a violation or non-compliance with Applicable Requirements by a Vendor that materially and adversely affects any Mortgage Loan or the related Servicing Rights, within twenty-one (21) Business Days of confirmation of the violation or non-compliance with Applicable Requirements, (i) the Subservicer shall provide to the Owner/Servicer notice of such violations or such non-compliance with Applicable Requirements of which the Subservicer has knowledge by any Vendor, Off-shore Vendor and/or Default Firm under the Vendor Oversight Guidance, the Subservicer's third-party management policy and/or Applicable Requirements, (ii) the Subservicer agrees to cooperate with the Owner/Servicer to remedy such non-compliance and to maintain regular communication with the Owner/Servicer regarding the progress of any remediation efforts, (iii) the Subservicer shall provide to the Owner/Servicer a summary and action-plan by the Subservicer detailing how such violation(s) or non-compliance will be remediated, (iv) to the extent permitted under the applicable Vendor contract or consented to by such Vendor, the Owner/Servicer may directly participate in cooperation with the Subservicer in any of the material activities described in this paragraph, and (v) the Subservicer shall provide to the Owner/Servicer, if applicable, a request in writing for an extension of the twenty-one (21) Business Day period. To the extent that any violation or non-compliance with Applicable Requirements by a Vendor relates to any Mortgage Loans being subserviced under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, all notices by Subservicer, and all cooperation efforts, summaries, action plans and permitted extensions shall be done in coordination with such NRZ O/S Entity and those activities contemplated in Section 2.4(f) of such NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. The Subservicer shall provide the Owner/Servicer with the Subservicer's then current third-party management policy or policies at the timing set forth in Exhibit E-1 in an acceptable searchable electronic format that allows for comparison of the current policies against the policies from the prior period and shall provide the Owner/Servicer with immediate written notice following the implementation of a material change to any such policy or policies, it being understood that to the extent Subservicer provides such policies to any NRZ O/S Entity pursuant to Section 2.4(f) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such policies shall be deemed to have been delivered hereunder.

(g) The Subservicer shall conduct periodic reviews of the Vendors, Off-shore Vendors and Default Firms that the Subservicer engages to perform under this Agreement in accordance with its third-party management policy and Vendor Oversight Guidance to confirm compliance, timeliness and completeness with respect to the terms of this Agreement and Applicable Requirements and that the Vendors, Off-shore Vendors and Default Firms are not subject to litigation or other enforcement actions that could have a material effect on such Vendor's, Off-shore Vendor's and/or Default Firm's financial viability or reputation. At the timing set

forth in Exhibit E-1, the Subservicer shall provide to the Owner/Servicer the results of all periodic reviews concluded by or on behalf of the Subservicer during the prior three (3) month period for any Critical Vendor in a manner consistent with Exhibit Q, which shall be in the form of performance scorecards, risk rating and risk-tier assignment system, in each case, in a format reasonably acceptable to the Owner/Servicer. During each such quarterly update, the Subservicer shall notify the Owner/Servicer of any changes to the Subservicer's scorecard, risk-rating, or risk-tiering methodology, to the extent such information is available or obtainable for each Vendor, Off-shore Vendor and Default Firm. To the extent that Subservicer provides such quarterly reviews or notices to any NRZ O/S Entity pursuant to Section 2.4(g) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reviews and notices shall be deemed to have been delivered hereunder."

"(j) Subject to Section 10.17, if reasonably necessary for the Owner/Servicer to comply with the requirements of any Governmental Authority that exercises authority over the Owner/Servicer, the Subservicer shall, at the request of the Owner/Servicer, make available to the Owner/Servicer copies of any contracts electronically through an electronic portal, ftp site, or otherwise, by or with any Vendors, Off-shore Vendors and/or Default Firms on the Vendor List and any reports, audits, evaluations, reviews or assessments with respect to such contractors, it being understood that to the extent such contracts have been made available to any NRZ O/S Entity pursuant to Section 2.4(j) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such contracts shall be deemed to have been made available hereunder. Subject to Section 10.17, in the event the Subservicer is not able to make available copies contracts, reports, evaluations, reviews or assessments with respect to any Vendors, Off-shore Vendors or Default Firms that are required to be made available to the Owner/Servicer under this Section 2.4 or are otherwise reasonably requested by the Owner/Servicer in order for it to comply with Applicable Requirements because such materials are subject to confidentiality or other non-disclosure restrictions that would prevent disclosing such materials, (i) the Subservicer shall make reasonable efforts to obtain consent to disclosure from the related Vendors, Off-shore Vendors or Default Firms, with the understanding that pricing or other confidential business terms may be redacted and (ii) the Subservicer shall provide the Owner/Servicer with such relevant information or summaries with respect to the related matter that would not be prohibited."

(ac) The Agreement is hereby amended by deleting Sections 2.6(a), (b) and (c) in their entirety and replacing them with the following:

"(a) Each party shall identify a relationship manager with respect to the Mortgage Loans, who shall serve as the principal point of contact for the other party for purposes of answering questions with respect to the Subservicing pursuant to this Agreement, it being understood that, to the extent that either party has identified a relationship

manager under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such person shall also serve as the relationship manager and point of contact for such party hereunder. Each party will provide prompt notice to the relationship manager of the other party if a change occurs with the relationship manager;

(b) Subject to Section 10.17, the Subservicer shall (i) notify the Owner/Servicer as promptly as possible, and in no event later than ten (10) Business Days from the Subservicer's or the Corporate Parent's receipt from any Insurer (as determined by the login information pursuant to Subservicer's intake procedures), Investor or Governmental Authority of any written notice or inquiry relating to an alleged violation or non-compliance of Applicable Requirements with respect to any Mortgage Loans that would reasonably be expected to result in a sanction, fee or other liability to the Owner/Servicer (including, but not limited to, termination under the applicable Servicing Agreement(s)), the Corporate Parent or otherwise materially adversely affect the Owner/Servicer or the Subservicer's ability to perform its obligations under this Agreement, including, but not limited to, any allegations of discrimination by the Subservicer or the Corporate Parent and any civil investigative demand or request for information, and shall promptly provide a copy of any such notice, allegation, demand or inquiry to the Owner/Servicer, it being understood that to the extent such a notice is delivered to any NRZ O/S Entity pursuant to Section 2.6(b) of the related NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such notice shall be deemed to have been delivered hereunder, and (ii) cooperate fully with the Owner/Servicer to respond promptly and completely to any such allegations or inquiries and similarly to any such allegations or inquiries received by the Owner/Servicer, it being understood that Owner/Servicer shall coordinate with the relevant NRZ O/S Entities to the extent similar responses are required under any NRZ Servicing/Subservicing Agreement(s) or the NRM Agency Subservicing Agreement. Subject to Section 10.17, the Subservicer shall notify the Owner/Servicer as promptly as possible, and in no event later than ten (10) Business Days of learning (as determined by the login information pursuant to Subservicer's intake procedures) that an investigation of the Corporate Parent or the Subservicer's servicing practices by any Governmental Authority has determined that material deficiencies in servicing performance or a material violation or non-compliance of Applicable Requirements has occurred; provided, however, that the Subservicer shall provide prompt notice but in no event later than ten (10) Business Days to the Owner/Servicer if (i) the Subservicer reasonably believes that a Governmental Authority is reasonably likely to suspend, revoke or limit any license or approval necessary for the Subservicer to service the Mortgage Loans in accordance with the terms of this Agreement, (ii) any notice from Fannie Mae, Freddie Mac or HUD regarding the termination or potential termination of the Subservicer as an eligible servicer for Fannie Mae, Freddie Mac or HUD, as applicable, (iii) any downgrade or actual notice of any anticipated downgrade of the Subservicer's servicer ratings, if any, with any Rating Agency or (iv) a special investigation or non-routine exam of the Subservicer or the Corporate Parent

commenced by a Governmental Authority is reasonably likely to result in a Material Adverse Effect with respect to the Servicing Rights, it being understood that to the extent such a notice is delivered to an NRZ O/S Entity pursuant to Section 2.6(b) of an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such notice shall be deemed to have been delivered hereunder. The Subservicer shall then periodically, as often as the Owner/Servicer may reasonably request, confer with the Owner/Servicer to advise the Owner/Servicer of the status of any such investigation, it being understood that Owner/Servicer shall coordinate with the relevant NRZ O/S Entities to the extent applicable on all such requests. In addition, subject to Section 10.17, within ten (10) Business Days of the Subservicer's or the Corporate Parent's receipt (as determined by the login information pursuant to Subservicer's or Corporate Parent's intake procedures, as applicable), the Subservicer shall deliver to the Owner/Servicer (x) any reports and/or findings with respect to such investigation relating to any material deficiencies in servicing performance or material violations or non-compliance with Applicable Requirements and (y) any consent decree terms and/or any proposed consent decree terms in connection with any investigation or settlement negotiations of the Corporate Parent or the Subservicer's servicing practices by any Governmental Authority that would materially affect the servicing activities hereunder or that would result in a Material Adverse Effect with respect to the Servicing Rights or the Owner/Servicer, it being understood that any such reports, findings, consent decrees and/or proposed consent terms delivered by any NRZ O/S Entity pursuant to Section 2.6(b) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been delivered hereunder. In the event the Subservicer is prohibited under applicable rules of privilege and confidentiality based upon the express advice of counsel from providing specific information or documentation under this Section 2.6, the Subservicer shall provide (and to the extent prohibited, the Subservicer shall provide to the maximum extent possible the information that is not prohibited from being disclosed) the Owner/Servicer with such relevant information or summaries with respect to the related matter that would not be prohibited under such rules, it being understood that to the extent Subservicer has provided such information to any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such information shall be deemed to have been provided hereunder. Any report made pursuant to this Section 2.6 related to regulatory investigation or other regulatory contact with the Subservicer and/or Corporate Parent, shall be at the timing set forth in Exhibit E-1 and in the format set forth in the related Formatted Servicing Report;

(c) The Subservicer shall maintain a log of all "qualified written requests" (as such term is used in the Real Estate Settlement Procedures Act) relating to the Mortgage Loans and a log of all escalated telephone complaints related to the Mortgage Loans. The Subservicer shall (i) provide copies of such logs the following month no later than the Reporting Date (or promptly upon the request by the Owner/Servicer) and (ii) make copies of any correspondence or documentation relating to

any items included in such logs available electronically or on the Subservicer's systems for access to data and reports. The Subservicer shall provide basic complaint reporting and an Escalated Complaint Case Data Report, at the timing set forth in Exhibit E-1 and in the format set forth in the related Formatted Servicing Report, respectively, and a Notice of Error and Request for Information Report, in each case, at the timing set forth in Exhibit E and in the format set forth in the related Formatted Servicing Report. For the purpose of this Section 2.6(c), the Subservicer may provide combined reports and other materials concerning the Mortgage Loans serviced or subserviced under any NRZ Servicing/Subservicing Agreement, the NRM Agency Subservicing Agreement and the Mortgage Loans subserviced hereunder, and the delivery of such combined reports and materials to any NRZ O/S Entity shall be deemed to constitute delivery hereunder. The Subservicer shall handle all complaints received by the Subservicer in accordance with Applicable Requirements, and shall:

(i) Maintain an internal procedure to provide for the management, acknowledgment, response, tracking, and reporting of written and telephonic complaints made to, or received by, the Subservicer in accordance with Applicable Requirements. The Subservicer shall provide the Owner/Servicer with a copy of such procedures and any material changes to such procedures at the timing set forth in Exhibit E-1. For the avoidance of doubt, for any purposes under this Agreement, written complaints include any complaints delivered in hard copy or in electronic form, including as obtained electronically through the CFPB or other regulatory portals.

(ii) The Subservicer shall make available promptly upon request of the Owner/Servicer with copies of a written complaint or transcripts of any telephonic complaints with respect to a Mortgage Loan (whether by or on behalf of Mortgagors or any third party), and any ongoing correspondence related thereto and the final written response to such complaint, and other reasonably related documents or information, upon request of the Owner/Servicer.

(iii) The Subservicer also shall include in its complaint monitoring, handling, and response activities any complaints and requests regarding the services provided by the Subservicer hereunder initially received by the Owner/Servicer and forwarded to the Subservicer for review and response."

(ad) The Agreement is hereby amended by deleting Sections 2.7(a), (b) and (c) in their entirety and replacing them with the following:

"(a) The Subservicer shall comply with the Service Level Agreements (" SLAs") as set forth from time to time on Exhibit F, or as modified pursuant to this Section 2.7; provided, however, that the Subservicer will not be responsible for delays, errors or omissions caused by the Owner/Servicer or any NRZ O/S Entity or any verifiable factors outside of the Subservicer's control.

(b) No later than the applicable reporting schedule or deadline as set forth in any SLA, the Subservicer shall provide to the Owner/Servicer a report that sets forth the Subservicer's actual results with respect to such SLA for the applicable prior reporting period. In the event the Subservicer fails to comply with any SLA for a particular reporting period, the Subservicer shall provide to the Owner/Servicer in either the same reporting period or the immediately subsequent reporting period an explanation in writing of the reasons for failing to comply with each SLA and the proposed actions that the Subservicer shall undertake to address such failure. To the extent that Subservicer provides such reports and/or explanations to any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement, such reports and/or explanations shall be deemed to have been provided hereunder. The Owner/Servicer and the Subservicer shall cooperate in good faith to resolve any questions or issues regarding the SLAs and the Subservicer's performance with respect to such SLAs and Owner/Servicer shall coordinate with each NRZ O/S Entity regarding any such issues to the extent applicable under the related NRZ Servicing/Subservicing Agreement.

(c) At either party's request, the Owner/Servicer and the Subservicer shall review the SLAs and any proposed modifications to the SLAs (including the related tools and methodologies for measuring or calculating compliance with such SLAs). Such modifications shall be implemented and shall become effective when such modification is acknowledged in writing and signed by both parties. The parties agree that, to the extent applicable, the Owner/Servicer and Subservicer shall use commercially reasonable efforts to reconcile any modifications to the SLAs under and as defined in the Shellpoint PLS Subservicing Agreement and any modifications to the SLAs hereunder."

(ae) The Agreement is hereby amended by deleting Sections 2.8(c), (d), (e), (f), (k) and (l) in their entirety and replacing them with the following:

"(c) The Subservicer shall provide the Owner/Servicer with the daily and monthly servicing reports in accordance with the timing set forth in Exhibit E-1 or otherwise required under this Agreement, it being understood that Subservicer may deliver a combined report covering Mortgage Loans serviced hereunder and Mortgage Loans subserviced under the Shellpoint PLS Subservicing Agreement. The monthly servicing reports shall be delivered no later than the Reporting Date, unless otherwise set forth in Exhibit E-1 or agreed by the parties. Such reports shall be delivered electronically in a manner acceptable to the Owner/Servicer or made accessible to the Owner/Servicer on the Subservicer's reporting website (as described in Section 2.11(c)) and shall be in a format substantially in the forms attached to Exhibit E-2 (each, a "Formatted Servicing Report"), as applicable, or in such other format mutually agreed by the parties. In addition, upon request, the Subservicer shall provide the Owner/Servicer with a loan-level download (in a format reasonably requested by the Owner/Servicer) of servicing

system collection comments within fifteen (15) calendar days of such request for up to [***] Mortgage Loans per quarter, or such longer period of time as the parties reasonably agree for more than [***] Mortgage Loans per quarter, unless the volume of loans requires a longer time period as determined in good faith by Subservicer in which case parties shall agree upon a reasonable timeframe to provide such comments. The Subservicer also shall cooperate in good faith with the Owner/Servicer to provide any additional reports or data as may be reasonably requested from time to time, including but not limited to any Owner/Servicer Regulatory Report subject to the process set forth in Section 2.3, it being understood that to the extent such a report is delivered to an NRZ O/S Entity under an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such report shall be deemed to have been delivered hereunder.

(d) The Subservicer shall provide the Owner/Servicer in an electronic format, with a month end collection and delinquency report set forth in the related Formatted Servicing Report identifying on a loan-level basis the status of any Delinquent Mortgage Loans, and any Loss Mitigation efforts, including, but not limited to, loan modifications and forbearances, it being understood that Subservicer may deliver a combined report covering Mortgage Loans serviced hereunder and Mortgage Loans subserviced under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and that delivery of such report to the applicable NRZ O/S Entity in accordance with the related NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to constitute delivery hereunder. Loan-level monthly reports shall be properly coded by the Subservicer to identify Mortgage Loans affected by Loss Mitigation efforts or other changes in payment terms and such reports shall reflect such pending payment terms. In the event a Governmental Authority or an Investor requests a report or delivery of data or information, the Subservicer and the Owner/Servicer shall follow the process set forth in Section 2.3.

(e) The Subservicer shall provide, at the timing set forth in Exhibit E-1, the Mortgagor Litigation Reports as set forth in the related Formatted Servicing Report summarizing current litigation, foreclosure and bankruptcy activity with respect to any of the Mortgage Loans. In addition, the Subservicer shall provide at the timing set forth in Exhibit E, a report relating to the oversight of foreclosure and bankruptcy attorneys in a form to be reasonably agreed upon by the parties. The Subservicer's monthly reporting shall include updates regarding the status of any known litigation, including matters resolved and new matters and associated costs and expenses and upon reasonable request, the Subservicer shall promptly provide to the Owner/Servicer copies of all notices, pleadings and subpoenas regarding any such known litigation relating to a Mortgage Loan. The parties hereby agree that such report will include the following information: [***]. To the extent that any reports relating to the matters in this Section

2.8(e) are delivered by Subservicer to an NRZ O/S Entity under an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Subservicer may deliver combined reports covering Mortgage Loans subserviced under such NRZ Servicing/Subservicing Agreement, the NRM Agency Subservicing Agreement and under this Agreement, and delivery of such reports to such NRZ O/S Entity shall be deemed to constitute delivery of such reports hereunder. The parties agree that Subservicer may deliver a combined report with the reporting required hereunder and the reporting required to be provided to Owner/Servicer under Section 2.8(e) of the Shellpoint PLS Subservicing Agreement. The parties may agree to additional reporting, on an as-needed basis, for specific individual litigation proceedings pursuant to Section 2.3(b). The Subservicer shall cooperate in good faith with any requests or instructions from the Owner/Servicer regarding such litigation and related proceedings, and Owner/Servicer shall coordinate with each NRZ O/S Entity to the extent such requests relate to similar requests or instructions by such NRZ O/S Entity under the related NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement.

(f) On each Business Day, no later than two (2) Business Days after receipt thereof, the Subservicer shall remit to the Owner/Servicer the applicable Owner/Servicer Economics with respect to the Mortgage Loans pursuant to Section 4.1; provided, however, the Subservicer shall promptly notify the Owner/Servicer of any disputed amounts as forth in Section 4.3 and any disputed amounts shall not be included in the calculation until resolved in a mutually acceptable fashion pursuant to Section 4.3. The Subservicer shall provide the Owner/Servicer with the Reconciliation Report (as defined in Section 4.1) to confirm and reconcile the calculation of the Owner/Servicer Economics and the Subservicer Economics each month, including the appropriate breakdown and support of the various components of the daily Owner/Servicer Economics and monthly Owner/Servicer Economics and Subservicer Economics (on a loan-by-loan basis) and reflecting all applicable fees payable to the Owner/Servicer and to the Subservicer. Unless separate reporting is requested by Owner/Servicer, Subservicer may combine any such reporting with the reporting provided to the NRZ O/S Entities under Section 2.8(f) of the NRZ Servicing/Subservicing Agreements or the NRM Agency Subservicing Agreement and delivery of such reporting under the NRZ Servicing/Subservicing Agreements or the NRM Agency Subservicing Agreement shall be deemed to constitute deliver hereunder."

(k) The Subservicer shall cause an independent certified public accountant selected and employed by it to provide the Owner/Servicer not later than March 15th (or such earlier date required under the applicable Servicing Agreement) of each calendar year to furnish a statement to the effect that such firm has examined certain documents and records relating to the servicing of assets similar in nature to the Mortgage Loans and

that such firm is of the opinion that the provisions of this Agreement or similar agreements have been complied with, and that, on the basis of such examination conducted substantially in compliance with the Uniform Single Attestation Program for Mortgage Bankers, nothing has come to their attention which would indicate that such servicing has not been conducted in compliance therewith, except for (i) such exceptions as such firm shall believe to be immaterial, and (ii) such other exceptions as shall be set forth in such statement. The parties agree that Subservicer may combine any such accountant statement with the similar accountant statements to be provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, and that delivery of such combined shall be deemed to have been provided hereunder.

(l) In the event any items of material noncompliance with Applicable Requirements are discovered, or are specifically noted in connection with any audit or examination of the Corporate Parent or the Subservicer's servicing of any of the Mortgage Loans, the Subservicer shall promptly address and resolve such items and report the status, findings and resolution of such items in a timely manner to the Owner/Servicer and as otherwise required under Applicable Requirements, it being understood that to the extent such reports are provided to an NRZ O/S Entity under an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reports shall be deemed to be provided hereunder."

(af) The Agreement is hereby amended by deleting Section 2.9(g) in its entirety and replacing it with the following (modified text underlined for review purposes):

"(g) The Subservicer shall comply with the Applicable Requirements, including without limitation the applicable Servicing Agreement, and the Servicing Procedures in connection with procedures and requirements relating to Charged-off Loans and shall include in its monthly reporting to the Owner/Servicer when any such Mortgage Loans become Charged-off Loans. The parties agree that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under Section 2.9(g) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. Unless otherwise required under Applicable Requirements, the Subservicer shall not make any Servicing Advances or P&I Advances with respect to Charged-off Loans and shall not be entitled to any Servicing Fees or other compensation with respect to Charged-off Loans. To the extent consistent with Subservicer's Servicing Procedures and in accordance with Section 2.4, Subservicer may utilize a Vendor for recovery collection on such Charged-off Loans."

(ag) The Agreement is hereby amended by deleting Section 2.10(c) in its entirety and replacing it with the following (modified text underlined for review purposes):

"(c) To the extent the ongoing internal costs and expenses related to the Subservicer's interaction and/or cooperation with any Approved Party materially exceeds the costs Subservicer had previously experienced with respect to REO Disposition Services (the "Internal Cost Variance"), the Owner/Servicer shall reimburse the Subservicer the documented incremental costs and incremental expenses incurred by Subservicer with respect to interaction and cooperation with any Approved Party that exceeds the Subservicer's prior costs related thereto; provided that (i) the Subservicer shall use commercially reasonable efforts to minimize such incurred costs and expenses and (ii) the Owner/Servicer shall have no obligation to reimburse the Subservicer for any costs and expenses related to changes in Subservicer's servicing systems, technology systems, servicing processes and/or training/re-training employees, in each case, in connection with the initial implementation and on-boarding. The Subservicer shall provide the Owner/Servicer any and all supporting documentation reasonably necessary to review the Internal Cost Variance asserted by Subservicer (supporting documentation may include invoices, reports and any other documentation or evidence which reasonably substantiates the alleged Internal Cost Variance) and the Owner/Servicer must reasonably agree with such Internal Cost Variance prior to the Owner/Servicer reimbursing the applicable incremental costs and incremental expenses as set forth above. The Owner/Servicer shall be reasonable with respect to any requests to change any Approved Party or Critical REO Disposition Vendor. In connection with the foregoing, the parties hereby agree that it would not be "reasonable" [***]. Any Approved Party shall be onboarded in accordance with and subject to the provisions in Section 2.3(f) of this Agreement."

(ah) The Agreement is hereby amended by deleting Sections 2.11(a), (b), (c), (d), (e), (f) and (g) in their entirety and replacing them with the following (modified text underlined for review purposes):

"(a) Subject to Section 10.17, the Subservicer shall keep accessible and retrievable, and make available to the Owner/Servicer upon the Owner/Servicer's reasonable request, copies of all records relating to the Subservicing of the Mortgage Loans under this Agreement, including records related to foreclosure and Loss Mitigation. The Owner/Servicer shall have the right to examine, audit or conduct diligence on the Subservicer and the Servicing Rights, Mortgage Loans; provided that the Owner/Servicer agrees to coordinate examinations, audits, reviews or diligence pursuant to this Section 2.11(a) with any examinations, audits, reviews or diligence conducted by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. In such reviews, the Subservicer will allow the Owner/Servicer, its Affiliates, and its Representatives (other than Representatives that are business competitors of Subservicer), during normal business hours and upon reasonable notice

and provided that such review shall not unduly or unreasonably interrupt the Subservicer's business operations, to, at any time and from time to time, access to review all of Subservicer's origination and servicing platform, the Mortgage Files, facilities, employees, servicing files, servicing documents, servicing records, data tapes, computer records, servicing systems, and other computer and technology systems or other information pertaining to this Agreement, any Servicing Agreement, the Servicing Rights, the Mortgage Loans, P&I Advances, the Servicing Advances and the Subservicer's general servicing practices and procedures. The Subservicer may require that any Persons performing such due diligence on behalf of the Owner/Servicer agree to the same non-disclosure and confidentiality agreements set forth in Section 10.12. In furtherance thereof, the Subservicer shall provide such information, data and materials as reasonably requested by the Owner/Servicer in furtherance of this Section 2.11; provided that Owner/Servicer agrees to coordinate any requests with any such requests made by an NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. The Owner/Servicer shall pay its own expenses in connection with any such examination; provided further, to the extent the Owner/Servicer reasonably determines that additional diligence is necessary as a result of (x) incorrect or inaccurate information provided to Owner/Servicer by Subservicer or (y) the Subservicer's (actual or reasonably alleged) failure to observe or perform any or all of the Subservicer's covenants and obligations under this Agreement (including errors in judgment), in each case, the Subservicer shall reimburse the Owner/Servicer up to $500,000.00 per year for the incremental costs and expenses of conducting such additional diligence, it being understood that the maximum amount of $500,000 per year shall apply to all diligence conducted by Owner/Servicer hereunder and any diligence conducted by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement and the NRM Agency Subservicing Agreement. With respect to any reviews under this clause (a) and under Section 2.11(a) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement that exceed one (1) review in any three-month period (absent an event occurring under Section 5.3), the out-of-pocket and internally allocated costs and expenses, as applicable, incurred by the Subservicer in connection with such additional review shall be at the Owner/Servicer's expense as further set forth in Section 2.3(d). In addition, upon Owner/Servicer's request, which request shall be made in coordination with any similar request by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, the Subservicer shall make its chief financial officer, treasurer or other senior executive that is both authorized and sufficiently well-informed to speak to Subservicer's financial condition, available to discuss Subservicer's financial condition, including its current liquidity, promptly but no less than two (2) Business Days after such request.

(b) The Subservicer shall cooperate in good faith with the Owner/Servicer and it Representatives and regulators in responding to any reasonable inquiries regarding the Subservicer's Subservicing of the Mortgage Loans and the Subservicer's compliance with, and ability to perform its obligations under, the provisions of this Agreement and Applicable Requirements, including without limitation inquiries regarding the Subservicer's qualifications, expertise, capacity and staffing levels, training programs, work quality and workload balance, reputation (including complaints), information security, document custody practices, business continuity and financial viability, monitoring and oversight of the Vendors, Off-shore Vendors and Default Firms as well as the current accuracy of the representations and warranties made by the Subservicer in Article VII, it being understood that Owner/Servicer shall coordinate all such requests with the requests made by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. The Subservicer shall reasonably cooperate to provide to the regulatory authorities supervising Owner/Servicer or its Affiliates and the examiners and supervisory agents of such authorities, access to the documentation required by applicable regulations of such authorities supervising Owner/Servicer or its Affiliates with respect to the Mortgage Loans. The Owner/Servicer may request, in concert with any such request under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, and the Subservicer shall cooperate with, reasonable periodic reviews of the Subservicer's performance and competence under this Agreement to confirm timeliness, completeness, and compliance with all Applicable Requirements and the provisions of this Agreement, and to confirm that foreclosures are conducted in a manner consistent with Applicable Requirements and any regulatory orders, directives or guidance applicable to the Owner/Servicer, the Subservicer, or their Affiliates. The Subservicer shall provide the Owner/Servicer with at least ninety (90) days' prior written notice if it intends to discontinue or change its current servicing system of record, it being understood that any such notice provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder.

(c) The Subservicer shall provide the Owner/Servicer and its Representatives with access to its systems for access to data and reports to allow the Owner/Servicer to monitor the Mortgage Loans. Owner/Servicer shall not have any limitations on the amount of access to such systems and shall not have any limitation on "page views" or downloading therein. Through such access to systems, the Owner/Servicer shall be provided with unlimited access on demand to certain reports and data referenced in this Agreement. Such access to systems shall have targeted availability of twenty-four hours a day, three-hundred sixty-five (365) days per calendar year with a targeted uptime of ninety-eight percent (98%) per month not to include scheduled maintenance. The Subservicer shall provide the Owner/Servicer at least five (5) Business Days' notice prior to any scheduled

maintenance or other scheduled access interruption of such access to systems , it being understood that any such notice provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder; provided that the Subservicer shall immediately notify the Owner/Servicer of any unscheduled access interruptions, it being understood that any such notice provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder. The Subservicer shall use commercially reasonable efforts to address any access or availability issues on the same Business Day on which such issues arises. During any such unscheduled access interruptions, the Subservicer shall use commercially reasonable efforts to provide the Owner/Servicer certain reports and data in an alternative medium, it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer provides such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder. The Subservicer's access to systems shall allow access to the following data and documents: (i) imaged Mortgage Loan Documents and Mortgage Servicing Files in Subservicer's possession or control; (ii) imaged copies of all Mortgagor communications; (iii) records of all Mortgagor communications; (iv) imaged copies of all litigation, bankruptcy, foreclosure related filings and related documentation solely to each Mortgage Loan (for the avoidance of doubt, such imaged copies of litigation, bankruptcy and foreclosure filings and related documentation will not include those unrelated to the Mortgage Loans); (v) current commentary regarding all Mortgagor communications and all activity related to each Mortgage Loan with sufficient detail to understand the status of any issues; (vi) an identifier of the Default Firm(s) engaged relating to the Mortgage Loan, if applicable; (vii) call transcripts; (viii) call recordings (unless call recordings are otherwise electronically made available to the Owner/Servicer, (ix) insurance, including [***], if applicable, and hazard and flood insurance; (x) single point of contact; and (xi) the documents and materials described in Section 2.18(e).

(d) Subject to Section 10.17, the Subservicer shall deliver to the Owner/Servicer the results of any and all reviews or audits conducted by or obtained by the Corporate Parent, the Subservicer, its Vendors, Off-shore Vendors, Default Firms, agents or representatives (including internal and external auditors) to the extent set forth in Exhibit Q hereto, it being understood that to the extent such results or reports are delivered to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such results or reports shall be deemed to have been delivered hereunder. To the extent the Subservicer is prohibited from delivering such results to

the Owner/Servicer, the Owner/Servicer and the Subservicer agree that such reporting may be conducted onsite at the Subservicer's location, or may be accomplished via secure electronic means, to the extent such onsite or electronic diligence is otherwise permitted. The Subservicer and the Owner/Servicer acknowledge that the availability of certain information from the Subservicer's Vendors, Off-shore Vendors, Default Firms and/or other agents and representatives is subject to the requirements and limitations of the contractual relationship between the Subservicer and that party.

(e) For critical systems relied upon by the Subservicer in connection with its obligations under this Agreement, the Subservicer shall, for each year starting the year in which the Effective Date occurs and for so long as Subservicer performs the Subservicing under this Agreement and in accordance with the delivery timing set forth in Exhibit E-1, provide (i) the Owner/Servicer with a copy of the SOC 1 Type II report applicable to the services or products (or equivalent report(s), solely to the extent Subservicer proposes such equivalent report(s) in advance to Owner/Servicer and are reasonably satisfactory to Owner/Servicer) of Subservicer's data processing environment and internal controls related to the obligations or services under this Agreement, as well as (ii) copies of each SOC report or equivalent report(s) applicable to the services or products provided by the Critical Vendors. Each report described in clauses (i) and (ii) above must be performed by a nationally recognized independent audit firm (provided that Subservicer's current audit firm shall be deemed acceptable) and shall be substantially consistent with the scope and form provided to New Residential Mortgage LLC in the report related to the period from October 1, 2015 to September 30, 2016 , it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer provides such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder. Any requests by the Owner/Servicer to expand the scope of such reports shall be made in coordination with any such request by each NRZ O/S Entity under the related NRZ Servicing/Subservicing Agreements and the NRM Agency Subservicing Agreement and shall be subject to Section 2.3. To the extent any such SOC 1 Type II attestation (or permitted equivalent report(s)) described in clause (i) or (ii) above results in findings, the Subservicer shall make commercially reasonable efforts to remediate and respond promptly to any reasonable inquiries regarding any such findings from the Owner/Servicer and its external auditor, it being understood that the Owner/Servicer shall coordinate any such inquiries with any inquiries made in accordance with Section 2.11(e) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, and, to the extent applicable, any response provided by Subservicer to such inquiries under any NRZ Servicing/Subservicing

Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder . Subject to Section 10.17, in the event the Subservicer is prohibited from providing any of the reports or reviews required under this Section 2.11(e) to the Owner/Servicer, the Subservicer shall cooperate with the Owner/Servicer and use commercially reasonable efforts to obtain the necessary consents to provide such reports or reviews to the Owner/Servicer.

(f) The Subservicer shall promptly upon written request provide to the Owner/Servicer and any Master Servicer, or any Depositor (or any designee of the Depositor, such as an administrator) if a Master Servicer has not been identified under the applicable Servicing Agreement, a written description (in form and substance reasonably satisfactory to the Owner/Servicer) of the role and function of each Vendor utilized by the Subservicer, specifying (i) the identity of each such Vendor, (ii) which (if any) of such Vendors are "participating in the servicing function" within the meaning of Item 1122 of Regulation AB and (iii) which elements of the Servicing Criteria will be addressed in assessments of compliance provided by each Vendor identified pursuant to clause (ii) of this Section 2.11(f), it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer provides such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder. The Subservicer shall cause any Vendor determined by the Subservicer in its commercially reasonable discretion, applying substantially the same criteria in its determination as applied in the Subservicer's 2016 Regulation AB reporting, to be "participating in the servicing function" used by the Subservicer to comply with the provisions of Section 2.11(g) of this Agreement to the same extent as if such Vendor were the Subservicer."

(ai) The Agreement is hereby amended by adding the following at the end of Section 2.11(g)(v):

"The parties agree that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer provides such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder."

(aj) The Agreement is hereby amended by deleting the last sentence of Section 2.12 in its entirety and replacing it with the following (modified text underlined for review purposes):

"At the timing set forth in Exhibit E-1, the Subservicer will deliver or make available its then-current Fidelity and Errors and Omissions Insurance and will notify the Owner/Servicer promptly if such Fidelity and Errors and Omissions Insurance is terminated without replacement, it being understood that to the extent Subservicer delivers or makes available to any NRZ O/S Entity such proof or notifies any NRZ O/S Entity of any such termination, Subservicer shall be deemed to have provided such proof or notice to Owner/Servicer hereunder."

(ak) The Agreement is hereby amended by deleting Section 2.13(c)(iii) in its entirety and replacing it with the following (modified text underlined for review purposes):

"(iii) Promptly upon Owner/Servicer's lender's receipt of the information provided pursuant to Section 2.13(c)(ii) (the "Servicing Advances Reimbursement Date"), subject to resolution of any obvious or manifest errors, the Owner/Servicer shall remit (or cause to be remitted) the amount set forth in the written invoice or other customary documentation provided by the Subservicer for all such Servicing Advances (or such lesser amount as reasonably determined by the Subservicer) via wire transfer to the Subservicer on such Servicing Advances Reimbursement Date. Notwithstanding any provision in this Agreement to the contrary, the Owner/Servicer shall not be responsible for any PMI Proceeding Advances and in no event shall the Subservicer be reimbursed by the Owner/Servicer for any PMI Proceeding Advances."

(al) The Agreement is hereby amended by deleting the penultimate paragraph of Section 2.13(d) in its entirety and replacing it with the following (modified text underlined for review purposes):

"The Subservicer shall cooperate in good faith with the Owner/Servicer to pursue full reimbursement of outstanding P&I Advances, Owner/Servicer Expense and Servicing Advances and shall indicate in the monthly reporting if it determines the recoverability of any such P&I Advances or Servicing Advances is at risk, it being understood that Subservicer may combine any such reporting with the reporting provided to Owner/Servicer under the Shellpoint PLS Subservicing Agreement and delivery of such reporting under such Shellpoint PLS Subservicing Agreement shall be deemed to constitute delivery thereof."

(am) The Agreement is hereby amended by deleting Section 2.18 in its entirety and replacing it with the following (modified text underlined for review purposes):

"The Subservicer shall maintain its current business continuity plan (" BCP") that addresses the continuation of services if an incident (act or omission) impairs or disrupts the Subservicer's obligation to provide the services contemplated under this Agreement, as may be modified from time to time. The Subservicer agrees to provide the Owner/

Servicer (and any applicable regulatory agencies having jurisdiction over the Owner/Servicer) with a copy of its entire BCP promptly following the Owner/Servicer's request. The Subservicer warrants that the BCP conforms to Applicable Requirements and generally accepted industry standards for business continuity planning (collectively, the "BCP Standards"), which include, but are not limited to, recovery strategy, loss of critical personnel, restoring access to documents and data to the Owner/Servicer, documented recovery plans covering all areas of operations pursuant to this Agreement, vital records protection, and testing plans. The Subservicer will maintain and test the BCP at regular intervals (no less frequently than annually) to ensure that the BCP complies with BCP Standards and shall provide reporting of the test results to the Owner/Servicer upon request. The Subservicer will comply with the BCP during the term of this Agreement. The Subservicer shall notify the Owner/Servicer promptly of any material modifications to the BCP. To the extent that Subservicer provides such BCP reporting of test results or notices of material modifications to such BCP to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such BCP reporting of test results or notices of material modifications to such BCP shall be deemed to have been delivered hereunder.

The Subservicer shall provide disaster recovery and backup capabilities and facilities through which it will be able to perform its obligations under this Agreement with minimal disruptions or delays. The recovery strategy shall, at a minimum, provide for recovery after short and long term disruptions in facilities, environmental support, workforce availability and data processing equipment. If requested by the Owner/Servicer, the Subservicer must provide evidence of its capability to meet any applicable regulatory requirement concerning business continuity applicable to the Owner/Servicer or the Subservicer, it being understood that to the extent Subservicer has provided such evidence to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such evidence shall be deemed to have been provided hereunder. The Subservicer shall notify the Owner/Servicer immediately (and in any event, within twelve (12) hours) of the occurrence of any catastrophic event that affects or could affect the Subservicer's performance of the services contemplated under this Agreement.

The BCP shall include appropriate provisions to ensure the continued availability of critical third-party services and to ensure an orderly transition to new service providers should that become necessary. The Subservicer shall comply with the Vendor Oversight Guidance with respect to business continuity plans of Vendors. Subject to Sections 10.17 and 2.4, the Subservicer shall require that any of its Vendors, Off-shore Vendors and Default Firms providing critical services with respect to this Agreement provide copies of their own business continuity plans to the Subservicer and the Subservicer shall make such plans available to the extent set forth in Exhibit Q, it being understood that to the extent Subservicer has provided such plans to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such plans shall be deemed to have been provided hereunder."

(an) The Agreement is hereby amended by deleting Sections 2.19(a) and (g) in their entirety and replacing them with the following (modified text underlined for review purposes):

"(a) The Subservicer shall (i) develop and maintain client management protocols (escalation procedures to be utilized by Owner/Servicer, if needed) as set forth in Exhibit N and (ii) dedicate to its relationship with Owner/Servicer two (2) fulltime employees, who will be available to Owner/Servicer during normal business hours to answer questions, handle requests for information, coordinate change requests, monitor reporting timelines, and to schedule calls with business units in accordance with such protocols, it being understood that Owner/Servicer will coordinate with each NRZ O/S Entity, to the extent possible, in all such interactions with Subservicer and the protocol and dedicated employees applicable to the NRZ O/S Entity relationship under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be applicable to the relationship between Owner/Servicer and Subservicer hereunder.

(g) Unless otherwise agreed to by the Subservicer and the Owner/Servicer in a SLA attached hereto, no later than forty-five (45) calendar days after the end of each calendar quarter, the Subservicer shall deliver to the Owner/Servicer the following platform-wide customer service statistics (or such other statistics reasonably requested by the Owner/Servicer): (i) staffing numbers changes, including turnover numbers and outsourced vs. internal; (ii) staffing location changes, including off-shore moves; (iii) advance notice of any outsourcing of consumer-facing staff; (iv) changes to staff scoring methodology; (v) changes to training programs; (vi) numbers of calls/month; (vii) numbers of calls monitored each month; (viii) changes to credit-reporting practice; and (ix) answer times, hold times and other measurements of consumer call performance as reasonably requested by the Owner/Servicer, it being understood that to the extent such statistics have been provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such statistics shall be deemed to have been provided hereunder."

(ao) The Agreement is hereby amended by deleting Sections 2.22(b) and (c) in their entirety and replacing them with the following (modified text underlined for review purposes):

"(a) On a monthly basis, the Subservicer shall provide the Owner/Servicer with sufficient supporting documentation and backup that will allow the Owner/Servicer to verify and validate that the Subservicer is in compliance with the financial requirements set forth in the applicable Servicing Agreement [***], it being understood that to the extent such documentation has been provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such documentation shall be deemed to have been provided hereunder. No later than the last day of the month (or if such day is not a Business Day, the next succeeding Business Day) after the end of each month, the Subservicer shall provide the Owner/Servicer with a certificate, signed by the chief financial officer of the Subservicer and the Corporate Parent, in the form attached hereto as Exhibit H (the "Monthly Financial Covenant Certification"), with supporting documentation and backup (including but not limited

to any interim and audited financial statements prepared by the Subservicer, Corporate Parent's and any accountant engaged by the Subservicer or Corporate Parent) that will allow the Owner/Servicer to verify, validate and corroborate the certifications made in each Monthly Financial Covenant Certification, it being understood that to the extent such a monthly Financial Covenant Certification and supporting documentation have been provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such a monthly Financial Covenant Certification and supporting documentation shall be deemed to have been provided hereunder.

(b) [***]

(ap) The Agreement is hereby amended by adding the following Section 2.23 immediately following Section 2.22:

"Section 2.23. PMI Litigation.

The parties agree that Subservicer has the authority to continue engaging in discussions, dealings or other communications with private mortgage insurers solely in connection with existing and active litigations, actions, suits, arbitrations, claims or other proceedings of any kind on or prior to the date hereof brought by Subservicer on behalf of any Investors against such private mortgage insurers related to rescission, denial, cancellation or curtailment of mortgage insurance with respect to any Mortgage Loan (collectively, the "PMI Proceedings"). Such authority is granted without regard to whether the form of such proceeding changes over the course of time. Solely with respect to such PMI Proceedings, the parties further agree that Subservicer has the authority to continue prosecuting legal or other action against such private mortgage insurers and to enter into related settlements in connection therewith.

In connection with any such PMI Proceeding, each party hereto shall reasonably cooperate with the other party in connection therewith (including, without limitation by providing a ratification, agency appointment, consent or authorization to Subservicer, or by assisting the Subservicer in obtaining a ratification, consent or authorization from a trustee, to permit Subservicer to act or continue acting on behalf of Owner/Servicer if Subservicer's authority to proceed with such action or to settle such action is challenged), and make available to the other party, all witnesses, pertinent records, materials and information in such party's possession or under such party's control relating thereto as may be reasonably required by the other party to bring or defend or settle such action, claim or proceeding; provided that, (i) in no event shall the Owner/Servicer be obligated to provide any records, materials and/or information which was previously provided to the Owner/Servicer by the Subservicer and (ii) the Owner/Servicer shall have no obligation to provide any witness to the extent any witness under the Subservicer's control can provide similar information/testimony. In no event shall the Subservicer make any admissions of liability on the part of the Owner/Servicer.

On a monthly basis and/or as otherwise reasonably requested by Owner/Servicer, the Subservicer shall provide updates on the status of each PMI Proceeding (which updates may be in-person, telephonic or via a secure web meeting) together with copies of any related legal pleadings. The Subservicer shall promptly notify the Owner/Servicer in writing of any material developments or changes in the status of any PMI Proceeding."

(aq) The Agreement is hereby amended by deleting Section 3.1(d) in its entirety and replacing it with the following (modified text underlined for review purposes):

"(d) The Subservicer shall provide the Owner/Servicer with any proposed changes to the Servicing Transfer In Procedures at least sixty (60) days prior to boarding any Mortgage Loans under this Agreement which the Subservicer is not already servicing or subservicing, it being understood that to the extent Subservicer has provided such proposed changes to any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such proposed changes shall be deemed to have been provided hereunder. The Subservicer and the Owner/Servicer shall cooperate in good faith to reach agreement on any proposed changes to the Servicing Transfer In Procedures."

(ar) The Agreement is hereby amended by deleting Section 3.4 in its entirety and replacing it with the following (modified text underlined for review purposes):

"The Subservicer shall process requests for partial releases, easements, substitutions, division, subordination, alterations, waivers of security instrument terms, or similar matters in accordance with Applicable Requirements and the Subservicer shall provide a monthly report identifying such processed requests (other than partial releases), it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and delivery of such reporting to such NRZ O/S Entity under such NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to constitute delivery hereunder."

(as) The Agreement is hereby amended by deleting the first paragraph of Section 4.1 in its entirety and replacing it with the following (modified text underlined for review purposes):

"On or prior to each Reporting Date, the Subservicer shall provide the Owner/Servicer, in an electronic format, a monthly report containing data elements detailing all the Owner/Servicer Economics, the Owner/Servicer Expenses and the Subservicer Economics (the "Reconciliation Report") as set forth in the related Formatted Servicing Report; it being understood that the amounts described in clauses (iv) and (v) of Owner/Servicer Economics, and Owner/Servicer Expenses, may relate to prior periods. Pursuant to Section 2.8(f), the Subservicer shall provide the Owner/Servicer with

sufficient information to reflect the calculation (daily and monthly, as applicable) of the Owner/Servicer Economics, the Owner/Servicer Expenses and the Subservicer Economics, including the fees payable to the Subservicer by the Owner/Servicer under this Agreement. Unless separate reporting is requested by Owner/Servicer, Subservicer may combine the Reconciliation Report and any supporting materials required to be delivered hereunder with the "Reconciliation Report" and supporting materials as defined in and delivered pursuant to the relevant NRZ Servicing/Subservicing Agreements or the NRM Agency Subservicing Agreement."

(at) The Agreement is hereby amended by deleting the penultimate paragraph of Section 4.1 in its entirety and replacing it with the following (modified text underlined for review purposes):

"The Subservicer shall be entitled to all amounts, to the extent paid, allowed to a servicer from time to time by any governmental or quasi-governmental programs or PMI Companies, as applicable, for engaging in Loss Mitigation with respect to the Mortgage Loans. The Owner/Servicer shall be entitled to the Float Benefit, which amounts (i) shall be remitted by the Subservicer to the Owner/Servicer as part of the Owner/Servicer Economics pursuant to Section 2.8(f) to the extent the applicable Custodial Account(s) or Escrow Account(s) are not in the name of the Owner/Servicer and (ii) Owner/Servicer shall withdraw directly from the applicable Custodial Account(s) or Escrow Account(s) to the extent the applicable Custodial Account(s) or Escrow Account(s) are in the name of the Owner/Servicer. The Subservicer shall be entitled to Ancillary Income and, pursuant to its reporting obligations hereunder, provide to the Owner/Servicer information and data related to the Ancillary Income received and/or paid to the Subservicer. The Subservicer shall provide or make available to the Owner/Servicer its schedule of Ancillary Income charged to the Mortgagors on a quarterly basis in an acceptable searchable electronic format that allows for comparison of the current schedule of Ancillary Income against the schedule of Ancillary Income from the prior quarterly period. Unless separate reporting is requested by Owner/Servicer, Subservicer may combine any reporting with respect to Ancillary Income required to be delivered hereunder with the reports it delivers to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement."

(au) The Agreement is hereby amended by deleting Sections 5.3(a)(ii), (xiv), (xv), (xvi) and (xix) in their entirety and replacing them with the following (modified text underlined for review purposes):

"(ii) any failure by the Subservicer to provide to the Owner/Servicer (1) any Critical Report unless such failure to deliver a Critical Report was a direct result of Owner/Servicer's or any NRZ O/S Entity's failure to provide material information (which was not in the possession or control of the Subservicer) necessary to complete

such Critical Report, which failure continues unremedied for a period of five (5) Business Days following the date such Critical Report was due and/or (2) any Owner/Servicer Regulatory Reports, which failure continues unremedied for a period of five (5) Business Days following the date such Owner/Servicer Regulatory Report was due;

(xiv) any report required herein contains materially inaccurate data or information that has a Material Adverse Effect on the Owner/Servicer, New Residential Investment Corp., the Servicing Rights, P&I Advances and/or the Servicing Advances; provided, that such inaccuracy is not the direct result of inaccurate data or information provided to the Subservicer by any NRZ O/S Entity or New Residential Investment Corp., or a third party appointed by any NRZ O/S Entity or New Residential Investment Corp.;

(xv) as of any date of determination, the unpaid principal balance of Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement) with respect to which a Termination Party has, other than in connection with any Solicitations to Terminate which has not resulted in a vote or direction to terminate, delivered written notification of intent to terminate or notice of termination or otherwise directed or initiated the process of terminating the Owner/Servicer, Shellpoint and/or Subservicer in writing ("PSA Termination Notice"), in the aggregate, equals or exceeds [***] of the Measurement Balance, in each case, due to Subservicer's failure to service in accordance with the terms of this Agreement and/or any NRZ Servicing/Subservicing Agreement ; provided, however that, the unpaid principal balance with respect to a Servicing Agreement will not be counted toward the [***] threshold referenced in this Section 5.3(a)(xv) if the related Termination Party delivered the related PSA Termination Notice solely as a result of Subservicer's compliance with a written direction from Owner/Servicer in accordance with Section 2.3 hereof or the written direction of any NRZ O/S Entity in accordance with Section 2.3 of any NRZ Servicing/Subservicing Agreement; provided that no termination shall be permitted unless any applicable cure period in the related Servicing Agreement has expired and the related Termination Party has not withdrawn such notification;

(xvi) as of any date of determination, the unpaid principal balance of Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement) with respect to which a Termination Party has sent a solicitation for a vote or request for direction from or on behalf of Investors regarding the termination of Owner/Servicer or Shellpoint as servicer under the related Servicing Agreement (a "Solicitation to Terminate"), in the aggregate, equals or exceeds [***] of the Measurement Balance, in each case (A) from a Termination Party and (B) due to Subservicer's failure to service in accordance with the terms of this Agreement and/or any NRZ Servicing/Subservicing Agreement; provided, however that, the unpaid principal balance with respect to a Servicing Agreement will not be counted toward the [***] threshold referenced in this Section 5.3(a)(xvi) if the related Termination Party delivered the related Solicitation to Terminate solely as a result of

Subservicer's compliance with a written direction from Owner/Servicer in accordance with Section 2.3 hereof or the written direction of any NRZ O/S Entity in accordance with Section 2.3 of any NRZ Servicing/Subservicing Agreement; provided, further that a Solicitation to Terminate shall no longer be included in calculating the [***] threshold on the earlier of the date the Termination Party indicates that it will pursue no action or provides notification indicating that such Solicitation to Terminate has not resulted in a vote to terminate or direction to terminate Owner/Servicer or Shellpoint as servicer under the related Servicing Agreement and 135 days following the date of the Solicitation to Terminate if such Solicitation to Terminate has not resulted in a vote to terminate or direction to terminate Owner/Servicer or Shellpoint as servicer under the related Servicing Agreement;

(xix) the Subservicer's or Corporate Parent's management discloses in their respective quarterly or annual financial statements that there is substantial doubt about its ability to continue as a going concern; provided, however, that such substantial doubt is not based in material part on the potential early termination of any of the transactions contemplated by this Agreement, the NRM Agency Subservicing Agreement or by any NRZ Servicing/Subservicing Agreement;

(av) The Agreement is hereby amended by adding the following Section 5.3(a)(xxiii) immediately following Section 5.3(a)(xxii):

"(xxiii) the occurrence of a Subservicer Termination Event or Seller Termination Event, in each case, as defined in the applicable NRZ Servicing/Subservicing Agreement, with respect to which the applicable NRZ O/S Entity has exercised remedies thereto; provided, however, that if Owner/Servicer exercises its right to terminate the NRZ Servicing/Subservicing Agreement with respect to all of the mortgage loans subserviced thereunder following a Subservicer Termination Event or Seller Termination Event thereunder, Owner/Servicer shall be deemed to automatically exercise its remedies related to this clause (xxiii) and this Agreement shall terminate in accordance with the terms hereof; provided, further however, if (1) a Subservicer Termination Event or Seller Termination Event exists under the applicable NRZ Servicing/Subservicing Agreement only with respect to a portion of the related mortgage loans subject thereunder (and not with respect to all of the mortgage loans subserviced thereunder) and (2) either (x) to the extent expressly permitted pursuant to such NRZ Servicing/Subservicing Agreement, the applicable NRZ O/S Entity exercises its remedies thereunder only with respect to a portion of the related mortgage loans subject thereunder (and not with respect to all of the mortgage loans subserviced or serviced thereunder) or (y) the applicable NRZ O/S Entity does not exercise its remedies thereunder but an Investor terminates the applicable NRZ O/S Entity as NRZ O/S Entity with respect to such mortgage loans (and not with respect to all of the mortgage loans subserviced or serviced thereunder), then, in each case, the proviso in this clause (xxiii) relating to Owner/Servicer being deemed to automatically exercise its remedies related to this clause (xxiii) shall not apply."

(aw) The Agreement is hereby amended by deleting the last paragraph of Section 5.3(a) in its entirety and replacing it with the following (modified text underlined for review purposes):

"provided, however, that notwithstanding the foregoing, if Subservicer has provided Owner/Servicer a written notice of its intent to terminate this Agreement with cause pursuant to Section 5.6 or of Subservicer's intent to terminate any NRZ Servicing/Subservicing Agreement pursuant to Section 5.6 thereof or Owner/Servicer has provided written notice of its intent to terminate this Agreement pursuant to Section 5.1(b), or any NRZ O/S Entity has provided notice to Subservicer of its intent to terminate any NRZ Servicing/Subservicing Agreement pursuant to Section 5.1(b) thereof, the Owner/Servicer may not terminate the Subservicer for cause pursuant to any of Sections 5.3(a)(iii), (x), (xvii) or (xix) if the event specified in such subsection was based in material part on such notice of intent to terminate; provided, further however, that if a Subservicer Termination Event is cured or is no longer continuing, such event shall cease to be a Subservicer Termination Event upon the date that is six (6) months following the later of (i) the date such Subservicer Termination Event was cured or ceases to continue and (ii) the date Owner/Servicer received notice or otherwise became aware of such Subservicer Termination Event."

(ax) The Agreement is hereby amended by deleting Section 5.3(b) in its entirety and replacing it with the following:

"(b) If an NRZ O/S Entity terminates an NRZ Servicing/Subservicing Agreement with respect to all of the mortgage loans subserviced thereunder for convenience pursuant to Section 5.1(b) (and not with respect a portion of the related mortgage loans as permitted by Section 5.1(d)) within twelve (12) months following the closing date of the acquisition of Shellpoint by New Residential Corp. or any of its Affiliates, unless otherwise agreed to by Subservicer, Owner/Servicer shall concurrently terminate this Agreement for convenience pursuant to Section 5.1(b); provided, however, if an NRZ Servicing/Subservicing Agreement is terminated solely with respect to a portion of the related mortgage loans subject to such NRZ Servicing/Subservicing Agreement as permitted by Section 5.1(d) (and not with respect to all of the mortgage loans subserviced thereunder), this clause (b) shall not apply and the Agreement shall not be terminated."

(ay) The Agreement is hereby amended by deleting the paragraph directly following Sections 5.4(a)(iii) in its entirety and replacing it with the following (modified text underlined for review purposes):

"To the extent the Owner/Servicer is obligated to pay the Termination Fee as set forth above, the Owner/Servicer shall remit to the Escrow Agent, to be held by the Escrow Agent in accordance with the Escrow Agreement, one-hundred percent (100%) of the applicable Termination Fee Deposit Amount (as defined and calculated in accordance with Exhibit C-2) in immediately available funds at least one (1) Business Day prior to the Subservicer sending the related transferor's notice of transfer of servicing or "goodbye letter" in accordance with the requirements of applicable law solely to the extent the Subservicer has complied and completed all of the servicing transfer requirements set forth in Part I of Exhibit S required to be performed on or before such date thereof; provided that Subservicer shall have no obligation to send any such notices until the Escrow Agent verifies to Subservicer that the Termination Fee Deposit Amount has been received. The Escrow Agent shall pay the Subservicer (i) fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer and its third party vendor handling the mailing that the Subservicer has sent the related transferor's notice of transfer of servicing or "goodbye letter" and (ii) the remaining fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer that the Subservicer has completed the Servicing Transfer Requirements set forth in Part III of Exhibit S attached hereto and including the federal reference numbers and wire amounts for the funds required to be remitted in accordance with such Servicing Transfer Requirements. The Subservicer shall send a copy of each of the deliverables under the Servicing Transfer Requirements to the Owner/Servicer at the same time it delivers such deliverable to the applicable successor servicer or subservicer. Owner/Servicer may elect to wait to transfer the servicing with respect to certain Servicing Agreements if the transfer of such Servicing Agreements would result in the unpaid principal balance of the Mortgage Loans that would remain subject to this Agreement following such transfer to be less than ten percent (10%) of the unpaid principal balance of all of the Mortgage Loans subject to this Agreement on the Effective Date of Termination. The Subservicer and Owner/Servicer shall use their best efforts to cooperate to enter into an Escrow Agreement containing the terms as set forth in this paragraph prior to the applicable date a payment is required to be made to the Escrow Agent as described in this paragraph and, to the extent such actions have been taken by any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement, the Owner/Servicer and Subservicer may agree to aggregate such actions. Notwithstanding anything to the contrary set forth in this Agreement, the Subservicer shall not be entitled to receive any Termination Fee to the extent the Effective Date of Termination occurs after the Initial Term."

(az) The Agreement is hereby amended by deleting the paragraph directly following Sections 5.4(b)(iii) in its entirety and replacing it with the following (modified text underlined for review purposes):

"To the extent the Owner/Servicer is obligated to pay the Termination Fee as set forth above, the Owner/Servicer shall remit to the Escrow Agent, to be held by the Escrow Agent in

accordance with the Escrow Agreement, one-hundred percent (100%) of the applicable Termination Fee Deposit Amount (as defined and calculated in accordance with Exhibit C-2) in immediately available funds at least one (1) Business Day prior to the Subservicer sending the related transferor's notice of transfer of servicing or "goodbye letter" in accordance with the requirements of applicable law solely to the extent the Subservicer has complied and completed all of the servicing transfer requirements set forth in Part I of Exhibit S required to be performed on or before such date thereof; provided that Subservicer shall have no obligation to send any such notices until the Escrow Agent verifies to Subservicer that the Termination Fee Deposit Amount has been received. The Escrow Agent shall pay the Subservicer (i) fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer and its third party vendor handling the mailing that the Subservicer has sent the related transferor's notice of transfer of servicing or "goodbye letter" and (ii) the remaining fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer that the Subservicer has completed the Servicing Transfer Requirements set forth in Part III of Exhibit S attached hereto and including the federal reference numbers and wire amounts for the funds required to be remitted in accordance with such Servicing Transfer Requirements. The Subservicer shall send a copy of each of the deliverables under the Servicing Transfer Requirements to the Owner/Servicer at the same time it delivers such deliverable to the applicable successor servicer or subservicer. Owner/Servicer may elect to wait to transfer the servicing with respect to certain Servicing Agreements if the transfer of such Servicing Agreements would result in the unpaid principal balance of the Mortgage Loans that would remain subject to this Agreement following such transfer to be less than ten percent (10%) of the unpaid principal balance of all of the Mortgage Loans subject to this Agreement on the Effective Date of Termination. The Subservicer and Owner/Servicer shall use their best efforts to cooperate to enter into an Escrow Agreement containing the terms as set forth in this paragraph prior to the applicable date a payment is required to be made to the Escrow Agent as described in this paragraph and, to the extent such actions have been taken by any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement, the Owner/Servicer and Subservicer may agree to aggregate such actions. Notwithstanding anything to the contrary set forth in this Agreement, the Subservicer shall not be entitled to receive any Termination Fee to the extent the Effective Date of Termination occurs after the Initial Term."

(ba) The Agreement is hereby amended by adding the following Section 5.7 immediately following Section 5.6:

"Section 5.7. Recognition of Rights of Investor to Terminate or Assume Agreement .

(a) Subject to Section 5.7(b), the parties hereto acknowledge that, in the event the Owner/Servicer is terminated as servicer (or in similar capacity) under a Servicing Agreement by the related Investor (or, if expressly provided in such Servicing

Agreement, the Owner/Servicer is no longer the servicer thereunder for any reason (including termination due to an event of default of the Owner/Servicer)), then one or more of the following rights may be exercised: (i) if such right is required by the express provisions of such Servicing Agreement to be included in this Agreement, the Owner/Servicer shall have the right to immediately terminate this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity) in accordance with the terms of the related Servicing Agreement, (ii) if such right is required by the express provisions of the Servicing Agreement to be included in this Agreement, the related Investor or its designee or any successor servicer appointed by such Investor shall have the right to immediately terminate this Agreement (subject to the receipt of such consents, if any, as may be required by such Servicing Agreement, and in accordance with the terms of such Servicing Agreement) solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which was terminated as servicer (or in similar capacity), or (iii) if such right is required by the express provisions of such Servicing Agreement to be included in this Agreement, the related Investor or its designee or any successor servicer appointed by such Investor shall have the right to assume (or may be deemed to have assumed without act or deed on the part such Investor or its designee or any successor servicer) all of the rights and obligations of the Owner/Servicer under this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity) in accordance with the terms of the related Servicing Agreement.

(b) Notwithstanding anything to the contrary in this Agreement, if an Investor terminates both the Owner/Servicer and the Subservicer under the applicable Servicing Agreement, such termination would be treated as:

(i) a termination for cause for purposes of this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity) if the Investor's action is related to an act or omission of the Subservicer or the Corporate Parent, or the processes, practices and/or procedures of the Subservicer or the Corporate Parent (unless such act, omission or breach is related to Subservicer's compliance with the Owner/Servicer's written direction in accordance with Section 2.3) or in connection with a Subservicer Termination Event; provided, further, that this provision shall not protect the Subservicer from any liability for any breach of its covenants made herein, or failure to perform its obligations in compliance with the terms of this Agreement, including any standard of care set forth in this Agreement, or from any liability which would otherwise be imposed on the Subservicer or any of its directors, officers, agents or employees by reason of the Subservicer's willful misfeasance, bad faith, fraud, or negligence in the performance of its duties hereunder or by reason of its negligent disregard of its obligations or duties hereunder), or

(ii) a termination without cause solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated

if the Investor's action is (1) unrelated to (x) an act or omission of the Subservicer or the Corporate Parent, respectively, or (y) a Subservicer Termination Event, or (2) related to Subservicer's compliance with the Owner/Servicer's written direction in accordance with Section 2.3.

(c) If an Investor assumes (or is deemed to have assumed) the obligations of the Owner/Servicer in accordance with the express provisions of the applicable Servicing Agreement, then the Subservicer shall have the right, upon not less than 90 days' prior written notice to the related Investor, to terminate this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity). In addition to any rights and remedies under the applicable Servicing Agreement or this Agreement, in the event such Investor terminates the Subservicer following such assumption of this Agreement by such Investor and such termination by the Investor is unrelated to an act or omission of the Subservicer or the Corporate Parent, respectively, unrelated to a Subservicer Termination Event or related to Subservicer's compliance with the Owner/Servicer's written direction in accordance with Section 2.3, and solely if the Effective Date of Termination occurs during the Initial Term, Investor (including without limitation, any trustee master servicer, back-up servicer, successor servicer, trust administrator, insurer or similar transaction party or any related securityholder) assuming the obligations of the Owner/Servicer shall reimburse the Subservicer in accordance with such termination without cause provisions. To the extent the Investor is obligated to pay the applicable Termination Fee as set forth in this Section 5.7(c), the Investor shall remit to the Subservicer one-hundred percent (100%) of the applicable Termination Fee (Investor) Deposit Amount (as defined and calculated in accordance with Exhibit C-2) on the related Effective Date of Termination. For the avoidance of doubt, the provisions relating to the Escrow Agent in Section 5.04 shall be inapplicable to the extent the related Investor is obligated to pay the Subservicer the applicable Termination Fee pursuant to this Section 5.7(c).

(d) Notwithstanding any provision of this Agreement to the contrary, the termination of this Agreement as to the related Mortgage Loans (subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity)) by the Subservicer in accordance with Section 5.7(c) above shall not be effective until a successor subservicer has been appointed by the related Investor and has assumed the duties of the Subservicer hereunder solely with respect to the related Mortgage Loans subject to the related Servicing Agreement which was terminated, and the Subservicer shall not be relieved of its obligations under this Agreement with respect to such Mortgage Loans until such time. If a successor subservicer has not assumed the duties of the Subservicer within one hundred and twenty (120) days of the Subservicer's notice of termination pursuant to Section 5.7(c), the Subservicer may, at the expense of the related Investor, petition a court with appropriate jurisdiction to appoint a successor subservicer.

(e) Unless expressly required pursuant to the terms of the applicable Servicing Agreement, with respect to any of the Mortgage Loans for which the Owner/Servicer is terminated as servicer (or in similar capacity) under a Servicing Agreement by the related Investor (or, if expressly provided in such Servicing Agreement, the Owner/Servicer is no longer the servicer thereunder for any reason (including termination due to an event of default of the Owner/Servicer), in the event that the related trustee or successor servicer assumes or (is deemed to have assumed) the rights and/or obligations of the Owner/Servicer in accordance with the express provisions of the applicable Servicing Agreement, New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing shall not have any obligations as Owner/Servicer with respect to such Mortgage Loans following the date of such assumption and shall not be liable to the Subservicer for any losses, liabilities, acts or omissions of Investor as Owner/Servicer with respect to such Mortgage Loans following the date of such assumption."

(bb) The Agreement is hereby amended by deleting Sections 8.2(c), (d) and (e) in their entirety and replacing them with the following (modified text underlined for review purposes):

"(c) any event of termination described in Section 5.3, other than Section 5.3(a)(xxiii);

(d) any claim, litigation or proceeding to which the Owner/Servicer is made a party in connection with Section 2.23, (ii) the Owner/Servicer's (and any Owner/Servicer's designee's) compliance with Section 2.23 (including, without limitation, any reasonable costs and expenses related to travel and lodging) and/or (iii) the Owner/Servicer's cooperation with the Subservicer in connection with any PMI Proceeding;

(e) the matters set forth on Schedule 4.12.15 to the Transfer Agreement; provided that such Loss is incurred and/or is payable prior to the earliest of (i) the date New Residential Mortgage LLC is terminated as Owner/Servicer and (ii) the later of (x) the fifth anniversary of the Effective Date and (y) the two year anniversary of the termination of the Subservicer under this Agreement;"

(bc) The Agreement is hereby amended by deleting Section 8.4 in its entirety and replacing it with the following (modified text underlined for review purposes):

"Promptly after receipt by an indemnified party under Sections 8.2 or 8.3 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under Sections 8.2 or 8.3, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve the indemnifying party from any liability that it may have to any indemnified party under Sections 8.2 or 8.3, except to the extent that it has been prejudiced in any material respect, or from any liability that it may have, otherwise than under Sections 8.2 or 8.3. The indemnifying party

shall assume the defense of any such claim (provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party) and pay all expenses in connection therewith, including attorneys' fees, and promptly pay, discharge, and satisfy any judgment or decree that may be entered against it or the indemnified party in respect of such claim. The indemnifying party shall follow any reasonable written instructions received from the indemnified party in connection with such claim. The provisions of Sections 8.2 or 8.3 shall survive for five (5) years following termination of this Agreement. The Subservicer shall provide the Mortgagor Litigation Reports set forth in the related Formatted Servicing Report regarding legal action(s) by individual Mortgagor(s) relating to the Mortgage Loans and against the Subservicer or the Owner/Servicer, it being understood that the Subservicer may combine such reports with the reports required to be delivered under Section 8.4 of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and delivery thereunder shall be deemed to constitute delivery hereunder. With respect to any third party claim subject to indemnification under this Agreement, the indemnified party agrees to reasonably cooperate and cause its Affiliates to reasonably cooperate in good faith with the indemnifying party in connection with the defense of any such claim. The indemnifying party shall pay the indemnified party any non-disputed Losses within thirty (30) days of the indemnifying party's receipt of an invoice therefor, together with reasonable supporting documentation."

(bd) The Agreement is hereby amended by deleting Section 10.1(b) in its entirety and replacing it with the following (modified text underlined for review purposes):

"(b) This Agreement may not be assigned or otherwise transferred by operation of law or otherwise by either Owner/Servicer or Subservicer without the express written consent of the other and any such assignment or attempted assignment without such consent shall be void; provided, however, that (i) Owner/Servicer may pledge its rights to any Person providing financing to Owner/Servicer or its Affiliates without the express written consent of Subservicer, (ii) without limiting any other transfers that otherwise do not require the consent of Subservicer, following a Transfer Date, Owner/Servicer or any assignee or transferee thereof may transfer all or any interest in the Rights to MSRs or any Transferred Receivables Assets (each as defined in the Transfer Agreement) to any Person without the express written consent of Subservicer, (iii) Owner/Servicer may assign or otherwise transfer any of its rights and obligations hereunder, in whole or in part, without the consent of Subservicer to (x) Shellpoint on or after the date that Shellpoint is a direct or indirect wholly owned subsidiary of New Residential Investment Corp., or (y) any other direct or indirect wholly-owned subsidiary of New Residential Investment Corp; provided that in each case such entity has been approved by and is in good standing

with Fannie Mae, Freddie Mac and each applicable State Agency, as necessary, in order to acquire the Servicing Rights hereunder."

(be) The Agreement is hereby amended by deleting Section 10.12 in its entirety and replacing it with the following (modified text underlined for review purposes):

"(a) Each party acknowledges that it may, in the course of performing its responsibilities under this Agreement, be exposed to or acquire Confidential Information that is proprietary to or confidential to the other party, its Affiliates, their respective clients and investors or to third parties to whom the other party owes a duty of confidentiality. The party providing Confidential Information in each case shall be called the "Disclosing Party" and the party receiving the Confidential Information shall be called the "Recipient". With respect to all such Confidential Information, the Recipient shall (i) act in accordance and comply with all Applicable Requirements (including, without limitation, security and privacy laws with respect to its use of such Confidential Information), (ii) maintain, and shall require all third parties that receive Confidential Information from the Recipient as permitted hereunder to maintain, effective information security measures to protect Confidential Information from unauthorized disclosure or use, and (iii) provide the Disclosing Party with information regarding such security measures upon the reasonable request of the Disclosing Party and promptly provide the Disclosing Party with information regarding any material failure of such security measures or any security breach relating to the Disclosing Party's Confidential Information. The Recipient shall hold the Disclosing Party's Confidential Information in strict confidence, exercising no less care with respect to such Confidential Information than the level of care exercised with respect to the Recipient's own similar Confidential Information and in no case less than a reasonable standard of care, and shall not copy, reproduce, summarize, quote, sell, assign, license, market, transfer or otherwise dispose of, give or disclose such information to third parties or use such information for any purposes other than the provision of the services to the Disclosing Party without the prior written authorization of the Disclosing Party. In addition, the Recipient shall not use the Confidential Information to make any contact with any of the parties identified in the Confidential Information without the prior authorization of the Disclosing Party, except in the course of performing its obligations under the terms of this Agreement.

(b) The Recipient may disclose the Disclosing Party's Confidential Information only (i) to its and its Affiliates' officers, directors, attorneys, accountants, employees, agents and representatives and, with respect to the Owner/Servicer only, Rating Agencies, consultants, bankers, financial advisors and potential financing sources (collectively, "Confidential Representatives") who need to know such Confidential Information and who are subject to a duty of confidentiality (contractual or otherwise) with respect to such Confidential Information, (ii) to those Persons within the Recipient's organization directly involved in the transactions contemplated in this Agreement, and who are bound by confidentiality terms substantially similar to the

terms set forth herein, (iii) to the Recipient's regulators and examiners, (iv) as required by Applicable Requirements, (v) to the extent such Recipient determines reasonably necessary or appropriate to defend itself in connection with a legal proceeding regarding the transactions contemplated in this Agreement; provided that Confidential Information may not be disclosed pursuant to this clause (v) without prior notice to the Disclosing Party and the Recipient shall use reasonable efforts to cooperate with the Disclosing Party's reasonable requests to protect and preserve the confidential nature of such Confidential Information, (vi) in the case of the Owner/Servicer, and subject to, and otherwise limited to the information provided pursuant to, Section 2.1(e), to a backup servicer and (vii) to any third party mutually agreed upon by the Owner/Servicer and Subservicer. The Recipient shall be liable for any breach of its confidentiality obligations and the confidentiality obligations of its Confidential Representatives.

(c) The parties shall not, without the other party's prior written authorization, publicize, disclose, or allow disclosure of any Confidential Information about the other party, its present or former partners, managing directors, directors, officers, employees, agents or clients, its or their business and financial affairs, personnel matters, operating procedures, organization responsibilities, marketing matters and policies or procedures, with any reporter, author, producer or similar Person or entity, or take any other action seeking to publicize or disclose any such information in any way likely to result in such information being made available to the general public in any form, including books, articles or writings of any other kind, as well as film, videotape, audiotape, or any other medium except as required by Applicable Requirements.

(d) The obligations under this Section 10.12 shall survive the termination of this Agreement.

(e) In addition to the foregoing, the parties agree that any information provided hereunder shall be subject to the terms of the Confidentiality Agreement; provided that if there exists any conflict between this Agreement and the terms of the Confidentiality Agreement, this Agreement shall control except as provided in Section 10.12(f) below Furthermore, the parties agree that the Confidentiality Agreement shall be incorporated into this Agreement for purposes of confidentiality.

(f) Notwithstanding any contrary terms in the Confidentiality Agreement, the obligations under the Confidentiality Agreement shall survive indefinitely after the expiration or termination of the Sale Supplements (as defined in the New RMSR Agreement)."

(bf) The Agreement is hereby amended by deleting Schedule 1.1 in its entirety and replacing it with Schedule 1.1 attached hereto.

(bg) The Agreement is hereby amended by deleting Exhibit B in its entirety and replacing it with Exhibit B attached hereto.

(bh) The Agreement is hereby amended by deleting Exhibit C-2 in its entirety and replacing it with Exhibit C-2 attached hereto (modified text underlined for review purposes).

(bi) The Agreement is hereby amended by deleting Exhibit E-1 in its entirety and replacing it with Exhibit E-1 attached hereto.

(bj) The Agreement is hereby amended by deleting Exhibit E-2 in its entirety and replacing it with Exhibit E-2 attached hereto.

(bk) The Agreement is hereby amended by deleting Exhibit G in its entirety and replacing it with Exhibit G attached hereto (modified text underlined for review purposes).

(bl) The Agreement is hereby amended by deleting Exhibit J in its entirety and replacing it with Exhibit J attached hereto (modified text underlined for review purposes).

SECTION 2. Defined Terms. Any terms capitalized but not otherwise defined herein shall have the respective meanings set forth in the Agreement.

SECTION 3. Limited Effect. Except as amended hereby, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment Number One need not be made in the Agreement or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Agreement, any reference in any of such items to the Agreement being sufficient to refer to the Agreement as amended hereby.

SECTION 4. Governing Law. This Amendment Number One shall be construed in accordance with the laws of the State of New York and the obligations, rights, and remedies of the parties hereunder shall be determined in accordance with such laws without regard to conflict of laws doctrine applied in such state (other than Section 5-1401 or 5-1402 of the New York General Obligations Law which shall govern).

SECTION 5. Counterparts. This Amendment Number One may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. The parties agree that this Amendment Number One and signature pages may be transmitted between them by facsimile or by electronic mail and that faxed and PDF signatures may constitute original signatures and that a faxed or PDF signature page containing the signature (faxed, PDF or original) is binding upon the parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the Owner/Servicer and the Subservicer have caused this Amendment Number One to be executed and delivered by their duly authorized officers as of the day and year first above written.

OCWEN LOAN SERVICING, LLC
(Subservicer)

By: /s/ John P. Kim
Name: John P. Kim
Title: President and Chief Executive Officer

NEW RESIDENTIAL MORTGAGE LLC
(Owner/Servicer)

By: /s/Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer and Chief Operating Officer

SCHEDULE 1.1

CHANGE OF CONTROL

Owner/Servicer hereby consents to a proposed transaction pursuant to which (x) Subservicer would merge into PHH Mortgage Corporation ("PMC") and PMC would be the surviving entity immediately following such merger or (y) PMC would become the direct or indirect owner of the majority of the stock of the Subservicer and, in each case, such consent is deemed to be exercised in concert with each NRZ O/S Entity under the NRZ Servicing/Subservicing Agreements, to the extent applicable.

EXHIBIT B

THIS PAGE AND THE FOLLOWING 14 PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

ANNEX ONE

THIS PAGE AND THE FOLLOWING PAGE OF THIS ANNEX HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT 1

LEVEL OF DISCLOSURE SCHEDULE

THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT C-2

TERMINATION FEE CALCULATION

Definitions

Deal-Level UPB: By Ocwen investor code ("deal"), the unpaid principal balance of Mortgage Loans associated with each deal will be fixed for the purposes calculations under this Exhibit C-2 as of the month-end following Subservicer's receipt of notification of termination without cause. To the extent Mortgage Loans serviced under RMSR 2.0 are transferred to a third party while this Agreement is still in effect, Deal-Level UPB will be based on the month-end UPB immediately preceding such transfer date.

Investor Transferred Percentage: A fraction which equals (A) the Deal-Level UPB of Mortgage Loans being subserviced under this Agreement that with respect to which the subservicing or servicing is being terminated solely pursuant to Section 5.7(c) divided by (B) the sum of (i) the aggregate Deal-Level UPB with respect to all Mortgage Loans being subserviced under this Agreement, (ii) the aggregate Deal-Level UPB with respect to all Mortgage Loans being serviced under RMSR 2.0, (iii) the aggregate Deal-Level UPB with respect to all Primary Mortgage Loans being serviced under MSRPA Servicing Agreements, (iv) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to Ocwen pursuant to Section 9.2, 9.3 or 9.4 of the Master Agreement and (v) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to a third party pursuant to Section 9.3 of the Master Agreement (calculated at the time of sale of such interests to third parties and amortized at 15%/year until the month-end following Subservicer's receipt of notification of termination without cause).

MSRPA Servicing Agreements: As defined in the Master Agreement.

Primary Mortgage Loans: As defined in the Master Agreement.

RMSR 2.0: The New RMSR Agreement (as defined in the Master Agreement).

Transferred Percentage: A fraction which equals (A) the Deal-Level UPB of Mortgage Loans being subserviced under this Agreement and serviced under RMSR 2.0 that with respect to which the subservicing or servicing is being terminated for any reason under this Agreement (other than Section 5.3 and Section 5.7) divided by (B) the sum of (i) the aggregate Deal-Level UPB with respect to all Mortgage Loans being subserviced under this Agreement, (ii) the aggregate Deal-Level UPB with respect to all Mortgage Loans being serviced under RMSR 2.0, (iii) the aggregate Deal-Level UPB with respect to all Primary Mortgage Loans being serviced under MSRPA Servicing Agreements, (iv) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to Ocwen pursuant to Section 9.2, 9.3 or 9.4 of the Master Agreement and (v) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to a third party pursuant to Section 9.3 of the Master Agreement (calculated at the

time of sale of such interests to third parties and amortized at 15%/year until the month-end following Subservicer's receipt of notification of termination without cause).

Termination Fee Deposit Amount : Except with respect to a termination of Subservicer by an Investor pursuant to Section 5.7(c), with respect to the termination of Subservicer under this Agreement or RMSR 2.0 transferred pursuant to a termination without cause or an RMSR 2.0 transfer to a third party during the Initial Term is calculated for each date on which subservicing or RMSR 2.0 is transferred by multiplying the Transferred Percentage by the Termination Fee associated as of the actual transfer date from Exhibit C-1.

Termination Fee (Investor) Deposit Amount: Solely with respect to a termination without cause of Subservicer by an Investor pursuant to Section 5.7(c) prior to the expiration of the Initial Term is calculated for each date on which subservicing is transferred by multiplying the Investor Transferred Percentage by the Termination Fee associated as of the actual transfer date from Exhibit C-1.

EXHIBIT E-1

LIST OF SERVICING REPORTS

"Critical Report"	"Regulatory Report"	Name of Report	Report #	Updates #	Frequency
Yes	No	Navigant Daily File Loan Level Extract	E-1	*	Daily (by noon ET)
Yes	No	Service Fee Reports ("Service Fee Daily Report")	E-2(a)	*	Daily (by noon ET)
Yes	No	Service Fee Reports ("NRZ MS Dynamics File")	E-2(b)	*	Daily (by noon ET)
Yes	No	Remittance File	E-3	*	Daily (by noon ET)
Yes	No	NRZ Primary MSR Data Tape	E-4	*	Monthly by 10th BU day
Yes	No	Reconciliation Report	E-5	*	As specified Section 4.1
Yes	No	Advance Reports ("MRA AF Daily File")	E-6(a)	*	Daily (by noon ET)
Yes	No	Advance Reports ("NRZ NBB Loan Level File")	E-6(b)	*	Monthly by 7th BU day
Yes	No	Portfolio Strat Reports	E-7	*	Monthly by 7th BU day.
No	No	Mortgagor Litigation Report	E-8	*	Monthly (by 5th BU day)
No	No	Corporate Matters Report	E-9	*	Monthly (by 15th)
No	No	Performance Reports	E-10	*	Monthly (by 20th)
No	No	Material Changes to Subservicer's, Corporate Parent or any of their respective Affiliates' Policies and Procedures	*	E-A1	Monthly (by 20th)
No	No	Basic Complaint Report	E-12(a)	*	Monthly (by 5th BU day)
No	No	Escalated Complaint Case Data Report	E-12(b)	*	Monthly (by 5th BU day)
No	No	Notice of Error and Request for Information Reports	E-13	*	Monthly (by 7th BU day)
No	No	Portfolio Roll Rate Reports	E-14	*	Monthly (by 7th BU day)
No	No	Monthly Financial Covenant Certification	*	E-A2	As provided in Section 2.22
No	No	Advance Threshold Report	E-15	*	Monthly (by 20th)
No	No	Back-up Servicer Files	E-16	*	As agreed to with the Back-up Servicer
No	No	MI Rescission Report	E-17	*	Monthly (by 15th)
No	No	Land Title Adjustment Report	E-18	*	Monthly (by 7th BU day)

"Critical Report"	"Regulatory Report"	Name of Report	Report #	Updates #	Frequency
No	No	Ancillary Income Report	E-19	*	Monthly (by 15th)
No	No	Ocwen Daily Subservicing File	E-20	*	Daily (by noon ET)
No	No	Ocwen Monthly Subservicing File	E-21	*	Monthly (by 7th BU day)
No	No	Exhibit Q Information	*	E-A3	Quarterly (by 45th calendar day
No	No	Provide Fidelity and Errors and Omissions Insurance	*	E-A4	Quarterly (by 45th calendar day
No	No	Customer Service Statistics	E-22	*	Quarterly (by 45th calendar day
No	No	Tracking Report regarding Privacy Notices	E-23	*	Quarterly (by 20th)
No	Yes	NYS VOSR Template	E-24	*	Quarterly (20 days after Quarter-End)
No	Yes	MBFRF Template	E-25	*	Quarterly (20 days after Quarter-End)
No	Yes	MCR Template	E-26	*	Quarterly (30 days after Quarter-End)
No	Yes	Illinois Default and Foreclosure Template	E-27	*	Semi-Annual (by 20th calendar day of July)
No	Yes	California CRMLA Template	E-28	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Illinois Report of Servicing Activity Template	E-29	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Michigan Mortgage Brokers, Lenders and Servicers Template	E-30	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Missouri Report of Residential Mortgage Loan Broker Activity Template	E-31	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Washington Consumer Loan Assessment Report Template	E-32	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Washington Consumer Loan Assessment Report Template	E-33	*	Annual (by 45th calendar day after fiscal year-end)
No	No	Regulation AB Compliance Report	*	E-A5	As defined in Agreement

"Critical Report"	"Regulatory Report"	Name of Report	Report #	Updates #	Frequency
No	No	Uniform Single Attestation Program Compliance Report	*		As defined in Agreement
No	No	SOC 1 Type II of Critical Vendors of Subservicer (or such other Type as may be reasonably satisfactory to Owner/Servicer)	*	E-A6	Within 30 days of receipt, but no later than January 31
No	No	SOC 1 Type II of Subservicer covering a minimum period of nine (9) months	*	E-A7	Within 30 days of receipt, but no later than January 31
No	No	SOC 1 Type II Bridge Letter of Subservicer covering a maximum period of three (3) months	*	E-A8	No later than January 31

EXHIBIT E-2

FORMATTED SERVICING REPORTS

[***]

EXHIBIT G

THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT J

PERFORMANCE TRIGGERS

A. **Initial Performance Triggers**

The following shall represent the applicable Performance Triggers, as may be modified from time to time in accordance with the terms hereof, and to be assessed on the basis of data collected from the first full Quarter following the Effective Date:

1. the Quarterly Average Delinquency Ratio exceeds [***] (the " Delinquency Trigger Event");

2. the Quarterly Average Foreclosure Sale Ratio falls below [***] (the " Foreclosure Sale Trigger") for two consecutive Quarters (the "Foreclosure Sale Trigger Event");

3. the Quarterly Average Workout Ratio falls below [***] (the " Workout Trigger") for two consecutive Quarters (the "Workout Trigger Event"); and

4. the Net SLA Monthly Penalty Amount exceeds [***] of the Monthly Fee Amount for such month (the "Excessive SLA Failure Trigger") in every month for two consecutive Quarters (the " Excessive SLA Failure Trigger Event").

Subject to the automatic modification of the Workout Trigger as set for in Section D below, any modifications to Performance Triggers shall be evidenced in writing and shall take effect in the Quarter during which such modifications were agreed to, unless the parties mutually agree otherwise. In addition to the specific provisions set forth in Sections B, C and D of this Exhibit J relating to the conditions under which a Performance Trigger may be modified, the Owner/Servicer and Subservicer agree to modify any of the above Performance Triggers from time to time in cases where there have been or will be material changes to the portfolio of Subject Loans constituting the reference class of the applicable Performance Trigger. Upon the occurrence of any Force Majeure Event, that has a material impact on the Subservicer's ability to service the Subject Loans pursuant to the Agreement, the parties will agree to waive any of the Performance Triggers to the extent affected.

B. **Delinquency Trigger Resets**

The Subservicer and Owner/Servicer shall mutually agree to a modification of the Delinquency Trigger under each of the following circumstances: (i) (x) in the event that the delinquency rate set forth in the "Seriously Delinquent As a % of Total Loans NSA" quarterly index from Mortgage Bankers Association (FORLTOSD Index on Bloomberg) (the "Index") increases by more than three percentage points from the rate set forth in such report for the month ending June 2017 and (y) thereafter, in the event of any subsequent material increase in such rate or (ii) to the extent that the Index does not capture the impact of industry-wide events which would materially impact delinquency rates (for example, industry-wide foreclosure holds imposed by states regulators).

C. **Foreclosure Sale Trigger Resets**

The Subservicer and Owner/Servicer shall mutually agree on a modification to the Foreclosure Sale Trigger in the event that one or more judicial rulings or state regulatory actions, decrees, interpretations or guidance occurs that impact more than [***] ([***]) of the total number of Subject Loans counted in the Subservicer's active foreclosure inventory on the date of such occurrence.

D. **Workout Trigger Resets**

(a) The Workout Trigger shall be modified, effective as of January 1, 2019, to an amount equal to [***] of the average monthly Workout Ratio for the calendar year of 2018 and, for each subsequent calendar year, effective as of January 1st of such year, the Workout Trigger shall be modified to an amount equal to [***] of the average monthly Workout Ratio of the prior calendar year; provided that, to the extent the Quarterly Average Workout Ratio falls below the Workout Trigger for the Quarter beginning in October and the Quarterly Average Workout Ratio is above the Workout Trigger for the following Quarter beginning in January solely as a result of the automatic modification of the Workout Trigger as set forth in this sentence, then the Workout Trigger for the Quarter beginning in January shall not be included for purposes of calculating the Workout Trigger Event and the parties agree to use the Workout Trigger for the Quarters beginning in October and April to determine if a Workout Trigger Event occurred. The parties agree that the Workout Trigger may be recalibrated after January 1, 2019 based on quarterly rather than annual averages in order to reflect seasonal fluctuations.

(b) The Subservicer and Owner/Servicer shall mutually agree on a modification to the existing (or automatically modified pursuant to clause (a) above) Workout Trigger under each of the following circumstances: (i) any regulatory changes that result in substantially lower modification rates on an industry-wide basis, (ii) the previously modified proportion of the portfolio of Subject Loans that are 60+ Day Delinquent increases to more than [***] ([***]), and thereafter, for each subsequent increase of [***] (iii) a decrease in modification eligibility of the Subject Loans due to substantial macroeconomic changes, including but not limited to, material changes in (x) home prices, (y) interest rates and/or (z) unemployment rates, and (iv) conditions materially affecting modification rates, including, for example, the availability and funding of governmental modification programs.

The Subservicer and Owner/Servicer shall mutually agree on a modification or reconstruction of the Workout Trigger to compare the Subservicer's loss mitigation performance against the performance of the mortgage servicing industry (in which the Subservicer would be expected to be within a range of average industry levels) to the extent a reliable industry benchmarking loss mitigation data has been introduced and is generally acceptable to the secondary mortgage market.

E. **Excessive SLA Failure Trigger Waivers and Applicability**

The SLAs used to calculate the Aggregate Net SLA Monthly Penalty Rate shall include all SLAs other than (i) any SLA identified as inapplicable to the Excessive SLA Failure Trigger on Exhibit F of the Agreement, as updated from time to time by mutual agreement of the parties and (ii) any SLAs that the Owner/Servicer and Subservicer have agreed to waive or exclude on the basis of major events beyond the Subservicer's control which materially and adversely affect the servicing of the Subject Loans under the Agreement, including, without limitation, conflicts or issues with Approved Parties, any "Approved Parties" (as defined herein), Vendors selected by the Owner/

Servicer, HLSS or Shellpoint, any NRZ REO Vendor (under and as defined in the Servicing Addendum) or any subcontractors or subvendors retained by any such NRZ REO Vendor, regulatory changes, Force Majeure Events or events affecting the mortgage servicing industry as a whole and not specific to Subservicer.

In the event of a major computer software system change to the Subservicer's primary servicing system, the parties will agree to waive the Excessive SLA Failure Trigger Event and the Excessive SLA Failure Trigger for a period of six (6) calendar months from the date that such system change was implemented; provided that the Subservicer provided at least ninety (90) days' notice to the Owner/Servicer of such system change.

F. **Definitions**

"**60+ Day Delinquent**": With respect to any Subject Loan, the Mortgage Loan that would be considered sixty (60) days or more contractually delinquent following the OTS Methodology.

"**90+ Day Delinquent**": With respect to any Subject Loan, the Mortgage Loan that would be considered ninety (90) days or more contractually delinquent following the OTS Methodology.

"**Affected SLA**": (i) In the event that there are major system changes impacting the Subservicer's servicing platform as a whole, for a period of six months following such changes or increase, all SLAs and (ii) in the event that there are major system changes impacting particular areas of the Subservicer's servicing activities, for a period of six months following such changes, all SLAs related to such areas.

For the avoidance of doubt, if there is a system change, the double and triple SLA penalties shall not count towards the Excessive SLA Failure Trigger. However, they shall count towards the Subservicer Economics and during the six month period reference above the 25% cap on adjustments to Subservicer Economics shall be in place.

"**Delinquency Ratio**": With respect to the Subject Loans, as of the end of each calendar month, the percentage equivalent of a fraction, (x) the numerator of which is the total unpaid principal balance of the Subject Loans which are 90+ Day Delinquent, including Subject Loans in foreclosure which are 90+ Day Delinquent, Subject Loans in bankruptcy which are 90+ Day Delinquent, plus the loan balance (prior to conversion to REO) of REO Properties, that were serviced or subserviced by the Subservicer during such month and (y) the denominator of which is the total unpaid principal balance of all Subject Loans.

"**Force Majeure Event**": Any event beyond the reasonable control of the Subservicer including, without limitation, strikes, work stoppages, acts of war or terrorism, insurrection, revolution, nuclear or natural catastrophes or acts of God and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services.

"**Foreclosure Sale Ratio**": With respect to the Subject Loans, as of the end of each calendar month, the percentage equivalent of a fraction, (x) the numerator of which is total number of Subject Loans with respect to which the foreclosure sale has been completed as of the end of the day on the last day of such calendar month, and (y) the denominator of which is the total number of Subject Loans counted in the Subservicer's foreclosure inventory (whether active or on hold) as of the end of the day on the last day of such calendar month.

"**Incentive Amount**": For each SLA, the amount computed pursuant to Exhibit F, if applicable.

"**Measurement Loans**" : Other than any Mortgage Loans with respect to which the Subservicer is solely performing Master Servicing functions, the Prior Ocwen Serviced Loans hereunder and under any NRZ Servicing/Subservicing Agreement or any mortgage loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement and any Mortgage Loans subject to an MSRPA Servicing Agreement (as defined in the New RMSR Agreement) as of the date of the New RMSR Agreement or that were previously subject to a Deferred Servicing Agreement (as defined in the Master Agreement) and which, in each case, are being serviced or subserviced by Subservicer for any NRZ O/S Entity or any of their respective Affiliates or securitizations sponsored by New Residential Investment Corp. or any of its subsidiaries, including on an interim basis, but excluding any Mortgage Loans with respect to which (x) the Servicing Rights have been transferred to a third party pursuant to the New RMSR Agreement or the Servicing Addendum, (y) the Rights to MSRs (as defined in the New RMSR Agreement) and Transferred Receivables Assets (as defined in the New RMSR Agreement) have been transferred to Subservicer or an Affiliate of Subservicer pursuant to the New RMSR Agreement or the Servicing Addendum or (z) the subservicing of such Mortgage Loans is being performed by a party other than Subservicer or an Affiliate of Subservicer pursuant to Section 5.7 of the Servicing Addendum.

"**Monthly Fee Amount**": For each month, an amount equal to (A) the product of (i) [***] ([***]) and (ii) the total unpaid principal balance of the Mortgage Loans as of the first Business Day of such calendar month that were subserviced by the Subservicer during such calendar month, excluding those Mortgage Loans for which Subservicer is solely performing Master Servicing functions under this Agreement, (B) divided by 12.

"**Net SLA Monthly Penalty Amount** ": For each month, the amount, if positive, equal to (A) the aggregate Penalty Amounts payable by the Subservicer, if any, with respect to the SLAs in such month minus (B)(i) if applicable, any such amounts paid as the result of a double or triple penalty multiplier for any Affected SLA and (ii) the aggregate Incentive Amounts payable to the Subservicer, if any, with respect to the SLAs in such month; provided that the amount to be included in clause (A) or (B) with respect to each Quarterly SLA shall be zero in each month prior to the initial calculation of such Quarterly SLA and for each month following such initial calculation shall be the Penalty Amount or Incentive Amount, if applicable, from the most recent calculation of such Quarterly SLA. For the avoidance of doubt penalties and incentives related to Master Servicing SLAs shall not count towards the calculation of the Net SLA Monthly Penalty Amount.

"**New Mortgage Loan**": With respect to any existing Mortgage Loan subject to this Agreement, the Shellpoint PLS Subservicing Agreement or the Servicing Addendum , a new mortgage loan (i) which is originated when the related Mortgagor (A) refinances such existing Mortgage Loan with proceeds from such new mortgage loan which is secured by the same mortgaged property or (B) pays off in full such existing Mortgage Loan and obtains a new mortgage loan secured by a different mortgaged property and, in each case, such refinancing or new borrowing resulted from the solicitation efforts of the Subservicer or any brokers, correspondent lenders, agents or independent contractors that Subservicer engaged to solicit such refinancing or new borrowing on its behalf and (ii) for which the related Servicing Rights are transferred to the Owner/Servicer

or Shellpoint pursuant to Exhibit B of this Agreement, the Shellpoint PLS Subservicing Agreement or the Servicing Addendum.

"**OTS Methodology**": A method of calculating delinquency of a Subject Loan based upon The Office of Thrift Supervision method, under which method a Subject Loan is considered delinquent if the payment has not been received by the Subject Loan's next due date. For example, a Subject Loan with a due date of August 1, 2017, with no payment received by the close of business on September 1, 2017, would have been reported as delinquent on October 1, 2017.

"**Penalty Amount**": For each SLA, the amount computed pursuant to Exhibit F, including, without limitation, the application of any applicable double penalties, triple penalties or waivers and taking into account the consecutive failure requirement for a penalty to be assessed.

"**Quarter**": A period consisting of three consecutive calendar months and beginning with either January, April, July or October.

"**Quarterly Average Delinquency Ratio** ": With respect to each Quarter, the percentage equivalent of a fraction, (x) the numerator of which is the sum of the Delinquency Ratios for each of the applicable three months and (y) the denominator of which is three.

"**Quarterly Average Foreclosure Sale Ratio** ": With respect to each Quarter, the percentage equivalent of a fraction, (x) the numerator of which is the sum of the Foreclosure Sale Ratios for each of the applicable three months and (y) the denominator of which is three.

"**Quarterly Average Workout Ratio** ": With respect to each Quarter, the percentage equivalent of a fraction, (x) the numerator of which is the sum of the Workout Ratios for each of the applicable three months and (y) the denominator of which is three.

"**Quarterly SLAs**": Each SLA with a designated frequency of "quarterly" on Exhibit F.

"**Subject Loans**": Each of (i) the Measurement Loans and (ii) any Transferred-In Loans agreed upon by the parties; provided that (x) with respect to the calculation of the Foreclosure Sale Ratio, a Transferred-In Loan shall not be deemed a Subject Loan until a date that is mutually agreed by the parties and (y) with respect to the calculation of the Workout Ratio, a Transferred-In Loan shall not be deemed a Subject Loan until a date that is mutually agreed to by the parties.

"**Transferred-In Loans**": Other than any Mortgage Loans with respect to which the Subservicer is solely performing Master Servicing functions under any NRZ Servicing/Subservicing Agreement , each of (i) any New Mortgage Loans and (ii) any Mortgage Loans that become subject to any NRZ Servicing/Subservicing Agreement pursuant to an Acknowledgement Agreement with respect to which the Subservicer is not solely performing Master Servicing functions.

"**Workout Ratio**": With respect to the Subject Loans, as of the end of each calendar month, the percentage equivalent of a fraction, (x) the numerator of which is total number of the Subject Loans with respect to which, during such month either a non-HAMP modification, a short-sale or a deed-in-lieu agreement, in each case, has been completed, and (y) the denominator of which is the total number of Subject Loans which are 60+ Day Delinquent, but excluding any Subject Loans for which the related Mortgaged Property has become an REO Property.

G. **Reporting**

In addition to the Subservicer's other reporting obligations set forth in Section 2.8 of the Agreement, with respect to the Performance Triggers, the Subservicer will, in a format reasonably requested by the Owner/Servicer, report the following to the Owner/Servicer, it being understood that Subservicer may combine such reports with the reports required to be delivered under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and that delivery thereunder shall be deemed to constitute delivery hereunder:

a) With respect to the Delinquency Trigger, the Foreclosure Sale Trigger and the Workout Trigger, (i) on a monthly basis, when available, but in no case later than ten Business Days after the end of the following month, the prior month's Delinquency Ratio, Foreclosure Sale Ratio and Workout Ratio, together with the relevant data used to calculate such ratios and (ii) on a quarterly basis, when available, but in no case later than ten Business Days after the end of the first month following the applicable quarter, the Quarterly Average Delinquency Ratio, the Quarterly Average Foreclosure Sale Ratio and the Quarterly Average Workout Ratio and a comparison of such ratios to the Delinquency Trigger, the Foreclosure Sale Trigger and the Workout Trigger, respectively.

b) With respect to the Excessive SLA Failure Trigger, (i) on a monthly basis, when available, but in no case later than fifteen Business Days after the end of the following month, the Net SLA Monthly Penalty Amount for such month, which report shall include (i) a comparison to the Excessive SLA Failure Trigger, (ii) an identification of the applicable SLAs used to calculate the Net SLA Monthly Penalty Amount, (iii) any applicable Penalty Amount or Incentive Amount used to calculate the Net SLA Monthly Penalty Amount and (iv) any other relevant information (in addition to the previously delivered monthly and quarterly reports under Exhibit F to the Agreement).

EXHIBIT 10.51

FOURTH AMENDMENT
TO
COOPERATIVE BROKERAGE AGREEMENT

This **FOURTH AMENDMENT TO COOPERATIVE BROKERAGE AGREEMENT** (this "Fourth Amendment") is made as effective as of September 11, 2018, and is by and among REALHome Services and Solutions, Inc., a Florida corporation ("RHSS, Inc."), REALHome Services and Solutions – CT, Inc., a Connecticut corporation ("RHSS CT"), and New Residential Sales Corp., a Delaware Corporation ("NRZ Brokerage").

RECITALS

WHEREAS, on August 28, 2017, RHSS, Inc., RHSS CT, and NRZ Brokerage entered into that certain Cooperative Brokerage Agreement (as amended, the "CBA");

WHEREAS, RHSS, Inc., RHSS CT, and NRZ Brokerage desire to amend the CBA, in the manner set forth herein; and

WHEREAS, capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the CBA.

AGREEMENT

NOW, THEREFORE, in consideration of the premises and mutual promises herein made, and in consideration of the representations, warranties, and the covenants herein contained, each of parties agree as follows:

1. In Section 14 of the CBA, the reference to "nrzinfo@altisource.com" shall be deleted, and inserted in lieu thereof shall be "NRZInfoRequest@Altisource.com".

2. Exhibit 6 of the CBA shall be deleted, and inserted in lieu thereof shall be the Exhibit 6 attached hereto.

3. All remaining provisions of the CBA shall remain unchanged and effective and are incorporated herein by reference.

4. This Fourth Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which constitute one and the same instrument.

[THE REMAINDER OF THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have executed and delivered this Fourth Amendment to Cooperative Brokerage Agreement as of the date first written above.

RHSS INC.:

REALHome Services and Solutions, Inc.

By:/s/ Michelle D. Esterman
Name: Michelle D. Esterman
Title: President and Chief Executive Officer

RHSS CT.:

REALHome Services and Solutions – CT, Inc.

By:/s/ Michelle D. Esterman
Name: Michelle D. Esterman
Title: President and Chief Executive Officer

NRZ BROKERAGE:

New Residential Sales Corp.

By:/s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

AMENDMENT NUMBER ONE
New RMSR Agreement
dated as of August 17, 2018
by and among
NEW RESIDENTIAL MORTGAGE LLC
HLSS HOLDINGS, LLC
HLSS MSR - EBO ACQUISITION LLC
and
OCWEN LOAN SERVICING, LLC

This AMENDMENT NUMBER ONE is made this 17th day of August, 2018, by and between OCWEN LOAN SERVICING, LLC, as seller (the "Seller"), HLSS HOLDINGS, LLC ("Holdings"), HLSS MSR – EBO ACQUISITION LLC, ("MSR – EBO" and together with Holdings, the "Purchasers") and NEW RESIDENTIAL MORTGAGE LLC ("NRM"), to that certain New RMSR Agreement, dated as of January 18, 2018 (the " Agreement"), by and among the Seller, the Purchasers and NRM.

RECITALS

WHEREAS, the Seller, the Purchasers and NRM desire to amend the Agreement, subject to the terms hereof, to modify the Agreement as specified herein; and

WHEREAS, the Seller, the Purchasers and NRM each have agreed to execute and deliver this Amendment Number One on the terms and conditions set forth herein.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and of the mutual covenants herein contained, the parties hereto hereby agree as follows:

SECTION 1. Amendments. Effective as of August 17, 2018, the Agreement is hereby amended as follows:

(a) Article I of Annex I the Agreement is hereby amended by adding the following new definitions in alphabetical order therein:

"Agency Subservicing Agreement: The Subservicing Agreement, dated as of August 17, 2018, between NRM, as owner/servicer, and Seller, as subservicer, as may be amended, supplemented or otherwise modified from time to time."

"PMI Proceeding Advance: Any and all Losses incurred by the Seller (or any agent, attorney, Vendor and/or representative of the Seller) in connection with any PMI Proceeding,

regardless whether the Seller and/or the Purchasers or NRM are entitled under the related Servicing Agreement to be reimbursed for such Losses."

(a) The definition of "Approved Third-Party Appraisers" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Approved Third-Party Appraisers : The following parties and any other residential mortgage servicing appraisal service provider agreed upon by Holdings and the Seller as an "Approved Third-Party Appraiser" for purposes of this Addendum: [***], or any successors thereto, unless either party hereto provides written notice to the other party of its disapproval of such successor."

(b) The definition of "Business Day" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Business Day: Any day other than (a) a Saturday or Sunday, (b) a day on which banking institutions in the States of New York, California, Florida, Iowa, Texas, New Jersey or the Commonwealth of Pennsylvania are authorized or obligated by law or by executive order to be closed, (c) a day that is not a business day as provided in the applicable Servicing Agreement or (d) such other days as agreed upon by the parties in writing."

(c) The definition of "Change of Control" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Change of Control : Unless otherwise consented to by Holdings (a decision on which shall not be unreasonably delayed) with respect to the Seller, shall mean (i) any transaction or event as a result of which the Corporate Parent ceases to own, directly or indirectly, more than 50% of the stock of Seller; (ii) the sale, transfer, or other disposition of all or substantially all of Seller's assets (excluding any such action taken in connection with any securitization transaction or routine sales of mortgage loans); or (iii) the consummation of a merger or consolidation of Seller with or into another entity or any other corporate reorganization, if more than fifty percent (50%) of the combined voting power of the continuing or surviving entity's equity outstanding immediately after such merger, consolidation or such other reorganization is owned by persons who were not equityholders of the Seller immediately prior to such merger, consolidation or other reorganization. Unless otherwise consented to by Holdings (a decision on which consent shall not be unreasonably delayed) with respect to the Corporate Parent, shall mean (i)

any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Effective Date) shall have obtained the power (whether or not exercised) to elect a majority of the board of directors (or equivalent governing body) of the Corporate Parent (ii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Effective Date) is or shall become the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act as in effect on the Effective Date), directly or indirectly, of forty nine percent (49%) or more on a fully diluted basis of the voting interests in the Corporate Parent's Equity Interests, or (iii) the current members of the Corporate Parent's board of directors as of the Effective Date (or equivalent governing body) shall cease to represent a majority of the directors of the Corporate Parent's board of directors (or equivalent governing body). Notwithstanding the foregoing, Holdings agrees that it shall be deemed to consent to the transaction set forth on Schedule 1.1.

(d) The definition of "Material Adverse Effect" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following:

"Material Adverse Effect": With respect to the Seller (a) a Material Adverse Change with respect to the Seller or any of its Affiliates taken as a whole; (b) a material impairment of the ability of the Seller to perform under this Addendum or any NRZ Subservicing Agreement, or to avoid a Seller Termination Event; (c) a material adverse effect upon the legality, validity, binding effect or enforceability of this Addendum against the Seller; or (d) a material adverse effect upon the value or marketability of a material portion of the Servicing Rights related to the Mortgage Loans serviced by the Seller pursuant to this Addendum and subserviced pursuant to any NRZ Subservicing Agreement, taken as a whole. With respect to the Servicing Rights related to the Mortgage Loans serviced by the Seller pursuant to this Addendum and subserviced pursuant to any NRZ Subservicing Agreement, a material adverse effect (a) upon the value or marketability of a material portion of the Servicing Rights or (b) on the ability of the Seller to realize the full benefits of the Servicing Rights. With respect to the Purchasers taken as a whole (a) a Material Adverse Change with respect to such Purchaser or any of its Affiliates taken as a whole; (b) a material impairment of the ability of such Purchaser to perform under this Addendum, or to avoid any Purchaser Termination Event under this Addendum (that cannot be timely cured, to the extent a cure period is applicable); (c) a material adverse effect upon the legality, validity, binding effect or enforceability of this Addendum against such Purchaser; or (d) a material adverse effect upon the value or marketability of a material portion of the Servicing Rights related to

the Mortgage Loans serviced by the Seller pursuant to this Addendum and any NRZ Servicing/Subservicing Agreement, taken as a whole.

(e) The definition of "Measurement Balance" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following:

"Measurement Balance: As of any date of determination, the unpaid principal balance of the Measurement Loans (other than any Mortgage Loans subserviced by Seller pursuant an agreement between NRM and Seller for which the related Mortgage Loan is owned by an Agency).

(f) The definition of "Measurement Loans" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Measurement Loans: Other than any Mortgage Loans with respect to which the Seller is solely performing Master Servicing functions, the Prior Ocwen Serviced Loans under any NRZ Subservicing Agreement and any Mortgage Loans subject to an MSRPA Servicing Agreement (as defined in the New RMSR Agreement) as of the date of the New RMSR Agreement or that were previously subject to a Deferred Servicing Agreement (as defined in the Master Agreement) and which, in each case, are being serviced or subserviced by the Seller for Purchasers, any NRZ O/S Entity or any of their respective Affiliates or securitizations sponsored by New Residential Investment Corp. or any of its subsidiaries, including on an interim basis, but excluding any Mortgage Loans with respect to which (x) the Servicing Rights have been transferred to a third party pursuant to the New RMSR Agreement or this Addendum, (y) the Rights to MSRs and Transferred Receivables Assets have been transferred to Seller or an Affiliate of Seller pursuant to the New RMSR Agreement or this Addendum or (z) the subservicing of such Mortgage Loans is being performed by a party other than Seller or an Affiliate of Seller pursuant to Section 5.7."

(g) The definition of "New Mortgage Loan" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"New Mortgage Loan: With respect to any existing Mortgage Loan subject to this Addendum, a new mortgage loan (i) which is originated when the related Mortgagor (A) refinances such existing Mortgage Loan with proceeds from such new mortgage loan which is secured by the same mortgaged property or (B) pays off in full such existing Mortgage Loan and obtains a new mortgage loan secured by a different mortgaged property and, in each case, such refinancing or new borrowing resulted from the solicitation efforts of the Seller or any brokers, correspondent lenders, agents or independent contractors that Seller engaged to solicit such refinancing or new borrowing

on its behalf and (ii) for which the related Servicing Rights are transferred to NRM pursuant to Exhibit B."

(h) The definition of "NRZ Subservicing Agreement" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"NRZ Subservicing Agreement: Each of the NRM Subservicing Agreement, the Agency Subservicing Agreement, and the Shellpoint Subservicing Agreement, as may be amended, supplemented or otherwise modified from time to time."

(i) The definition of "Servicing Advance" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Servicing Advance: All customary, reasonable and necessary actual "out of pocket" costs and expenses incurred by the Seller in accordance with the Applicable Requirements and the Advance Policy, and after the Effective Date, subject to the terms of this Addendum, excluding (i) any P&I Advance or indemnification amounts payable by the Seller pursuant to this Addendum and (ii) any PMI Proceeding Advances."

(j) The definition of "Termination Fee" in Article I of Annex I of the Agreement is hereby amended by deleting the existing definition in its entirety and replacing it with the following (modified text underlined for review purposes):

"Termination Fee: The fee payable by the Holdings to the Seller as provided in Section 5.4(a) and (b) which fee, if any, shall equal the applicable amount set forth in Exhibit C-1 and calculated in accordance with Exhibit C-2, shall not be refundable under any circumstances, and shall not be subject to reduction by way of setoff, recoupment, defense, counterclaim, or otherwise (except as set forth below); provided, however, any Termination Fee paid pursuant to this Agreement with respect to any Mortgage Loans shall be reduced by the payment of any Termination Fee received by Seller under any NRZ Subservicing Agreement with respect to such Mortgage Loans and in no event shall the aggregated Termination Fee for all NRZ Subservicing Agreements exceed the amount set forth on
Exhibit C-1.

(k) The Agreement is hereby amended by deleting Section 2.1(c) and (g) of Annex I in its entirety and replacing it with the following (modified text underlined for review purposes):

"(c) Notwithstanding anything to the contrary, to the extent any documentation, policies, notices, contracts, reporting, and/or related information delivered by Subservicer under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement are explicitly permitted under this Agreement to be combined with (and/or delivered in lieu of) the documentation, policies, notices, contracts, reporting, and/or related information which Subservicer is obligated to deliver to the Holdings hereunder, such delivery to the Holdings of either a combined report or a report in lieu of a report to be delivered hereunder shall, in any case, (i) be substantially similar in form and substance to the related documentation, (ii) applicable to the Mortgage Loans or the Subservicer's servicing platform, and (iii) related to the policies, notices, contracts, reporting and/or information which Subservicer is obligated to deliver to the Holdings hereunder.

(g) For any New Mortgage Loans, the Seller shall transfer the related Servicing Rights to NRM pursuant to the MSRPA (as defined in the NRM Subservicing Agreement) with Seller, and following such transfer, Seller shall subservice each such New Mortgage Loan on behalf of NRM pursuant to the Agency Subservicing Agreement."

(l) The Agreement is hereby amended by deleting Section 2.13(c)(iii) in its entirety and replacing it with the following (modified text underlined for review purposes):

"(iii) Promptly upon Holdings' lender's receipt of the information provided pursuant to Section 2.13(c)(ii) (the "Servicing Advances Purchase Date"), subject to resolution of any obvious or manifest errors, (1) Seller shall sell, assign, transfer and convey to Holdings, for a cash purchase price equal to 100% of the Servicing Advance, all of Seller's right, title and interest, whether now owned or hereafter acquired in, to and under, each such Servicing Advance, (2) Seller shall represent and warrant to Holdings the representation and warranties set forth in Section 7.11 hereof and (3) Holdings shall fund (or cause to be funded) the amount set forth in the written invoice or other customary documentation provided by the Seller for all such Servicing Advances (or such lesser amount as reasonably determined by the Seller) via wire transfer to the Seller on such Servicing Advances Reimbursement Date. Upon any such funding or payment by Holdings, Holdings shall acquire title to the related Servicing Advances. Notwithstanding any provision in this Addendum to the contrary, Holdings shall not be responsible for any PMI Proceeding Advances and in no event shall the Seller be reimbursed by Holdings for any PMI Proceeding Advances."

(m) The Agreement is hereby amended by deleting Section 2.8(e) in its entirety and replacing it with the following (modified text underlined for review purposes):

(e) The Seller shall provide, at the timing set forth in Exhibit E-1, the Mortgagor Litigation Reports as set forth in the related Formatted Servicing Report summarizing current litigation, foreclosure and bankruptcy activity with respect to any of the Mortgage

Loans. In addition, the Seller shall provide at the timing set forth in Exhibit E, a report relating to the oversight of foreclosure and bankruptcy attorneys in a form to be reasonably agreed upon by the Seller and Holdings. The Seller's monthly reporting shall include updates regarding the status of any known litigation, including matters resolved and new matters and associated costs and expenses and upon reasonable request, the Seller shall promptly provide to Holdings copies of all notices, pleadings and subpoenas regarding any such known litigation relating to a Mortgage Loan. The Seller and Holdings hereby agree that such report will include the following information: [***]. To the extent that any reports relating to the matters in this Section 2.8(e) are delivered by Seller to an NRZ O/S Entity under an NRZ Subservicing Agreement, Seller may deliver combined reports covering Mortgage Loans subserviced under such NRZ Subservicing Agreement and under this Addendum, and delivery of such reports to such NRZ O/S Entity shall be deemed to constitute delivery of such reports hereunder. The parties agree that Seller may deliver a combined report with the reporting required hereunder and the reporting required to be provided to Holdings under Section 2.8(e) of the NRM PLS Subservicing Agreement. The parties may agree to additional reporting, on an as-needed basis, for specific individual litigation proceedings pursuant to Section 2.3(b). The Seller shall cooperate in good faith with any requests or instructions from Holdings regarding such litigation and related proceedings, and Holdings shall coordinate with each NRZ O/S Entity to the extent such requests relate to similar requests or instructions by such NRZ O/S Entity under the related NRZ Subservicing Agreement.

(n) The Agreement is hereby amended by adding the following Section 2.23 immediately following Section 2.22 to Annex I:

"Section 2.23. PMI Litigation.

The parties agree that Seller has the authority to continue engaging in discussions, dealings or other communications with private mortgage insurers solely in connection with existing and active litigations, actions, suits, arbitrations, claims or other proceedings of any kind on or prior to the date hereof brought by Seller on behalf of any Investors against such private mortgage insurers related to rescission, denial, cancellation or curtailment of mortgage insurance with respect to any Mortgage Loan (collectively, the "PMI Proceedings"). Such authority is granted without regard to whether the form of such proceeding changes over the course of time. Solely with respect to such PMI Proceedings, the parties further agree that Seller has the authority to continue prosecuting legal or other action against such private mortgage insurers and to enter into related settlements in connection therewith.

In connection with any such PMI Proceeding, each party hereto shall reasonably cooperate with the other party in connection therewith (including, without limitation by providing a ratification, agency appointment, consent or authorization to Seller, or by assisting the Seller in obtaining a ratification, consent or authorization from a trustee, to permit Seller to act or continue acting on behalf of Holdings if Seller's authority to

proceed with such action or to settle such action is challenged), and make available to the other party, all witnesses, pertinent records, materials and information in such party's possession or under such party's control relating thereto as may be reasonably required by the other party to bring or defend or settle such action, claim or proceeding; provided that, (i) in no event shall Holdings be obligated to provide any records, materials and/or information which was previously provided to Holdings by the Seller and (ii) Holdings shall have no obligation to provide any witness to the extent any witness under the Seller's control can provide similar information/testimony. In no event shall the Seller make any admissions of liability on the part of Holdings.

On a monthly basis and/or as otherwise reasonably requested by Holdings, the Seller shall provide updates on the status of each PMI Proceeding (which updates may be in-person, telephonic or via a secure web meeting) together with copies of any related legal pleadings. The Seller shall promptly notify Holdings in writing of any material developments or changes in the status of any PMI Proceeding."

(o) The Agreement is hereby amended by deleting Section 5.3(a)(xv), (xvi) (xxiii) in its entirety and replacing it with the following (modified text underlined for review purposes):

"(xv) as of any date of determination, the unpaid principal balance of Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement) with respect to which a Termination Party has, other than in connection with any Solicitations to Terminate which has not resulted in a vote or direction to terminate, delivered written notification of intent to terminate or notice of termination or otherwise directed or initiated the process of terminating any NRZ O/S Entity and/or Seller in writing ("PSA Termination Notice"), in the aggregate, equals or exceeds [***] of the Measurement Balance, in each case, due to Seller's failure to service in accordance with the terms of this Addendum and/or any NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement); provided, however that, the unpaid principal balance with respect to a Servicing Agreement will not be counted toward the [***] threshold referenced in this Section 5.3(a)(xv) if the related Termination Party delivered the related PSA Termination Notice solely as a result of Seller's compliance with a written direction from Holdings in accordance with Section 2.3 hereof or the written direction of any NRZ O/S Entity in accordance with Section 2.3 of any NRZ Subservicing Agreement; provided that no termination shall be permitted unless any applicable cure period in the related Servicing Agreement has expired and the related Termination Party has not withdrawn such notification;

(xvi) as of any date of determination, the unpaid principal balance of Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement) with respect to which a Termination Party has sent a

solicitation for a vote or request for direction from or on behalf of Investors regarding the termination of any NRZ O/S Entity and/or Seller as servicer under the related Servicing Agreement (a "Solicitation to Terminate"), in the aggregate, equals or exceeds [***] of the Measurement Balance, in each case (A) from a Termination Party and (B) due to Seller's failure to service in accordance with the terms of this Addendum and/or any NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement) ; provided, however that, the unpaid principal balance with respect to a Servicing Agreement will not be counted toward the [***] threshold referenced in this Section 5.3(a)(xvi) if the related Termination Party delivered the related Solicitation to Terminate solely as a result of Seller's compliance with a written direction from Holdings in accordance with Section 2.3 hereof or the written direction of any NRZ O/S Entity in accordance with Section 2.3 of any NRZ Subservicing Agreement; provided, further that a Solicitation to Terminate shall no longer be included in calculating the [***] threshold on the earlier of the date the Termination Party indicates that it will pursue no action or provides notification indicating that such Solicitation to Terminate has not resulted in a vote to terminate or direction to terminate Seller as servicer under the related Servicing Agreement and 135 days following the date of the Solicitation to Terminate if such Solicitation to Terminate has not resulted in a vote to terminate or direction to terminate Seller as servicer under the related Servicing Agreement;

(xxiii) the occurrence of a Subservicer Termination Event (as defined in an NRZ Subservicing Agreement other than the NRM Agency Subservicing Agreement) under an NRZ Subservicing Agreement (other than the NRM Agency Subservicing Agreement), with respect to which the applicable NRZ O/S Entity has exercised remedies thereto; provided, however, that if the applicable NRZ O/S Entity exercises its right to terminate the NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement) with respect to all of the mortgage loans subserviced thereunder following a Subservicer Termination Event or Seller Termination Event thereunder, Holdings shall be deemed to automatically exercise its remedies related to this clause (xxiii) and this Agreement shall terminate in accordance with the terms hereof; provided, further however, if (1) a Subservicer Termination Event or Seller Termination Event exists under the applicable NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement) only with respect to a portion of the related mortgage loans subject thereunder (and not with respect to all of the mortgage loans subserviced thereunder) and (2) either (x) to the extent expressly permitted pursuant to such NRZ Servicing/Subservicing Agreement, the applicable NRZ O/S Entity exercises its remedies thereunder only with respect to a portion of the related mortgage loans subject thereunder (and not with respect to all of the mortgage loans subserviced or serviced thereunder) or (y) the applicable NRZ O/S Entity does not exercise its remedies thereunder but an Investor terminates the applicable NRZ O/S Entity as NRZ O/S Entity

with respect to such mortgage loans (and not with respect to all of the mortgage loans subserviced or serviced thereunder), then, in each case, the proviso in this clause (xxiii) relating to Holdings being deemed to automatically exercise its remedies related to this clause (xxiii) shall not apply."

(p) The Agreement is hereby amended by deleting the last paragraph of Section 5.3(a) to Annex I in its entirety and replacing it with the following (modified text underlined for review purposes):

"provided, however, that notwithstanding the foregoing, if Seller has provided Holdings a written notice of its intent to terminate this Agreement with cause pursuant to Section 5.6 or of Seller's intent to terminate any NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement) pursuant to Section 5.6 thereof or Holdings has provided written notice of its intent to terminate this Addendum pursuant to Section 5.1(b), or any NRZ O/S Entity has provided notice to Seller of its intent to terminate any NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement) pursuant to Section 5.1(b) thereof, the Holdings may not terminate the Seller for cause pursuant to any of Sections 5.3(a)(iii), (x), (xvii) or (xix) if the event specified in such subsection was based in material part on such notice of intent to terminate; provided, further however, that if a Seller Termination Event is cured or is no longer continuing, such event shall cease to be a Seller Termination Event upon the date that is six (6) months following the later of (i) the date such Seller Termination Event was cured or ceases to continue and (ii) the date Holdings received notice or otherwise became aware of such Seller Termination Event."

(q) The Agreement is hereby amended by deleting Section 5.4(a) to Annex I in its entirety and replacing it with the following (modified text underlined for review purposes):

"Seller purchases the related Servicing Assets or the related Rights to MSRs and Transferred Receivables Assets under Section 5.4(c)(i)(A) or (B), such Termination Fee shall, to the extent possible, be netted against the applicable Option Price or purchase price, respectively and otherwise be paid to Seller on the applicable Termination Date and (ii) if Seller is not purchasing the related Servicing Assets or the related Rights to MSRs and Transferred Receivables Assets under Section 5.4(c)(i)(A) or (B), Holdings shall remit to the Escrow Agent, to be held by the Escrow Agent in accordance with the Escrow Agreement, one-hundred percent (100%) of the applicable Termination Fee Deposit Amount (as defined and calculated in accordance with Exhibit C-2) in immediately available funds at least one (1) Business Day prior to the Seller sending the related transferor's notice of transfer of servicing or "goodbye letter" in accordance with the requirements of applicable law solely to the extent the Seller has complied and completed all of the servicing transfer requirements set forth in Part I of Exhibit S required to be performed on or before such date thereof; provided that Seller shall have no obligation to send any such notices until the Escrow Agent verifies to Seller that the Termination Fee Deposit Amount has been received. The Escrow Agent

shall pay the Seller (i) fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to Holdings, from the Seller of a certification by the Seller and its third party vendor handling the mailing that the Seller has sent the related transferor's notice of transfer of servicing or "goodbye letter" and (ii) the remaining fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to Holdings, from the Seller of a certification by the Seller that the Seller has completed the Servicing Transfer Requirements set forth in Part III of Exhibit S attached hereto and including the federal reference numbers and wire amounts for the funds required to be remitted in accordance with such Servicing Transfer Requirements. The Seller shall send a copy of each of the deliverables under the Servicing Transfer Requirements to Holdings at the same time it delivers such deliverable to the applicable successor servicer or subservicer. Holdings may elect to wait to transfer the servicing with respect to certain Servicing Agreements if the transfer of such Servicing Agreements would result in the unpaid principal balance of the Mortgage Loans that would remain subject to this Addendum following such transfer to be less than ten percent (10%) of the unpaid principal balance of all of the Mortgage Loans subject to this Addendum on the Effective Date of Termination. The Seller and Holdings shall use their best efforts to cooperate to enter into an Escrow Agreement containing the terms as set forth in this paragraph prior to the applicable date a payment is required to be made to the Escrow Agent as described in this paragraph and, to the extent such actions have been taken by any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement), Holdings and Seller may agree to aggregate such actions. Notwithstanding anything to the contrary set forth in this Addendum, the Seller shall not be entitled to receive any Termination Fee to the extent the Effective Date of Termination occurs after the Initial Term or the parties are unable to effectuate the transfer of servicing to a successor servicer or subservicer."

(r) The Agreement is hereby amended by deleting Section 5.4(j) to Annex I in its entirety and replacing it with the following:

"(j) If an NRZ O/S Entity terminates an NRZ Subservicing Agreement (other than the NRM Agency Subservicing Agreement) for convenience pursuant to Section 5.1(b) (and not with respect a portion of the related mortgage loans as permitted by Section 5.1(d)) within twelve (12) months following the closing date of the acquisition of Shellpoint by New Residential Investment Corp. or any of its Affiliates, unless otherwise agreed to by Seller, the Purchasers shall concurrently terminate this Addendum for convenience pursuant to Section 5.1(b); provided, however, if an NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement) is terminated solely with respect to a portion of the related mortgage loans subject to such NRZ Servicing/Subservicing Agreement (other than the NRM Agency Subservicing Agreement) as permitted by Section 5.1(d) (and not with respect to all of the mortgage loans subserviced thereunder), this Section 5.4(j) shall not apply and the Addendum shall not be terminated. If, following termination of

any NRZ Subservicing Agreement (other than as described in the immediately preceding sentence), there has been a Material Change, the parties shall agree to an Adjusted Fee Rate calculated in accordance with Exhibit U."

(s) The Agreement is hereby amended by deleting Section 8.2(g) to Annex I in its entirety and replacing it with the following:

"(g) any claim, litigation or proceeding to which Holdings is made a party in connection with Section 2.23, (ii) Holdings (and any of Holdings designee's) compliance with Section 2.23 (including, without limitation, any reasonable costs and expenses related to travel and lodging) and/or (iii) Holdings' cooperation with the Seller in connection with any PMI Proceeding;"

(t) The Agreement is hereby amended by deleting Schedule 1.1 of Annex I in its entirety and replacing it with Schedule 1.1 attached hereto.

(u) The Agreement is hereby amended by deleting Exhibit B of Annex I in its entirety and replacing it with Exhibit B attached hereto.

(v) The Agreement is hereby amended by deleting Exhibit E-1 of Annex I in its entirety and replacing it with Exhibit E-1 attached hereto.

(w) The Agreement is hereby amended by deleting Exhibit G of Annex I in its entirety and replacing it with Exhibit G attached hereto.

(x) Exhibit J to the Agreement is hereby amended by deleting the definition of "Measurement Loans" in its entirety and replacing it with following (modified text underlined for review purposes):

"Measurement Loans: Other than any Mortgage Loans with respect to which the Seller is solely performing Master Servicing functions, the Prior Ocwen Serviced Loans under any NRZ Subservicing Agreement and any Mortgage Loans subject to an MSRPA Servicing Agreement (as defined in the New RMSR Agreement) as of the date of the New RMSR Agreement or that were previously subject to a Deferred Servicing Agreement (as defined in the Master Agreement) and which, in each case, are being serviced or subserviced by the Seller for Purchasers, any NRZ O/S Entity or any of their respective Affiliates or securitizations sponsored by New Residential Investment Corp. or any of its subsidiaries, including on an interim basis, but excluding any Mortgage Loans with respect to which (x) the Servicing Rights have been transferred to a third party pursuant to the New RMSR Agreement or this Addendum, (y) the Rights to MSRs and Transferred Receivables Assets have been transferred to Seller or an Affiliate of Seller pursuant to the New RMSR Agreement or this Addendum or (z) the subservicing of such Mortgage Loans is being performed by a party other than Seller or an Affiliate of Seller pursuant to Section 5.7."

(y) Exhibit J to the Agreement is hereby amended by deleting the definition of "New Mortgage Loan" in its entirety and replacing it with following (modified text underlined for review purposes):

"New Mortgage Loan: With respect to any existing Mortgage Loan subject to this Addendum, a new mortgage loan (i) which is originated when the related Mortgagor (A) refinances such existing Mortgage Loan with proceeds from such new mortgage loan which is secured by the same mortgaged property or (B) pays off in full such existing Mortgage Loan and obtains a new mortgage loan secured by a different mortgaged property and, in each case, such refinancing or new borrowing resulted from the solicitation efforts of the Seller or any brokers, correspondent lenders, agents or independent contractors that Seller engaged to solicit such refinancing or new borrowing on its behalf and (ii) for which the related Servicing Rights are transferred to NRM pursuant to Exhibit B."

SECTION 2. Defined Terms. Any terms capitalized but not otherwise defined herein shall have the respective meanings set forth in the Agreement.

SECTION 3. Limited Effect. Except as amended hereby, the Agreement shall continue in full force and effect in accordance with its terms. Reference to this Amendment Number One need not be made in the Agreement or any other instrument or document executed in connection therewith, or in any certificate, letter or communication issued or made pursuant to, or with respect to, the Agreement, any reference in any of such items to the Agreement being sufficient to refer to the Agreement as amended hereby.

SECTION 4. Governing Law. This Amendment Number One shall be construed in accordance with the laws of the State of New York and the obligations, rights, and remedies of the parties hereunder shall be determined in accordance with such laws without regard to conflict of laws doctrine applied in such state (other than Section 5-1401 or 5-1402 of the New York General Obligations Law which shall govern).

SECTION 5. Counterparts. This Amendment Number One may be executed by each of the parties hereto on any number of separate counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument. The parties agree that this Amendment Number One and signature pages may be transmitted between them by facsimile or by electronic mail and that faxed and PDF signatures may constitute original signatures and that a faxed or PDF signature page containing the signature (faxed, PDF or original) is binding upon the parties.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment Number One to be executed and delivered by their duly authorized officers as of the day and year first above written.

OCWEN LOAN SERVICING, LLC

By: /s/ John P. Kim
Name: John P. Kim
Title: President and Chief Executive Officer

HLSS HOLDINGS, LLC

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

HLSS MSR – EBO ACQUISITION LLC

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NEW RESIDENTIAL MORTGAGE LLC

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer and Chief Operating Officer

SCHEDULE 1.1

CHANGE OF CONTROL

Holdings hereby consents to a proposed transaction pursuant to which (x) Seller would merge into PHH Mortgage Corporation ("PMC") and PMC would be the surviving entity immediately following such merger or (y) PMC would become the direct or indirect owner of the majority of the stock of the Seller and, in each case, such consent is deemed to be exercised in concert with each NRZ O/S Entity under the NRZ Subservicing Agreements, to the extent applicable.

EXHIBIT B

THIS PAGE AND THE FOLLOWING 14 PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

ANNEX ONE

THIS PAGE AND THE FOLLOWING PAGE OF THIS ANNEX HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT 1

LEVEL OF DISCLOSURE SCHEDULE

THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT E-1

LIST OF SERVICING REPORTS

"Critical Report"	"Regulatory Report"	Name of Report	Report #	Updates #	Frequency
Yes	No	Navigant Daily File Loan Level Extract	E-1	*	Daily (by noon ET)
Yes	No	Service Fee Reports ("Service Fee Daily Report")	E-2(a)	*	Daily (by noon ET)
Yes	No	Service Fee Reports ("NRZ MS Dynamics File")	E-2(b)	*	Daily (by noon ET)
Yes	No	Remittance File	E-3	*	Daily (by noon ET)
Yes	No	NRZ Primary MSR Data Tape	E-4	*	Monthly by 10th BU day
Yes	No	Reconciliation Report	E-5	*	As specified Section 4.1
Yes	No	Advance Reports ("MRA AF Daily File")	E-6(a)	*	Daily (by noon ET)
Yes	No	Advance Reports ("NRZ NBB Loan Level File")	E-6(b)	*	Monthly by 7th BU day
Yes	No	Portfolio Strat Reports	E-7	*	Monthly by 7th BU day.
No	No	Mortgagor Litigation Report	E-8	*	Monthly (by 5th BU day)
No	No	Corporate Matters Report	E-9	*	Monthly (by 15th)
No	No	Performance Reports	E-10	*	Monthly (by 20th)
No	No	Material Changes to Subservicer's, Corporate Parent or any of their respective Affiliates' Policies and Procedures	*	E-A1	Monthly (by 20th)
No	No	Basic Complaint Report	E-12(a)	*	Monthly (by 5th BU day)
No	No	Escalated Complaint Case Data Report	E-12(b)	*	Monthly (by 5th BU day)
No	No	Notice of Error and Request for Information Reports	E-13	*	Monthly (by 7th BU day)
No	No	Portfolio Roll Rate Reports	E-14	*	Monthly (by 7th BU day)
No	No	Monthly Financial Covenant Certification	*	E-A2	As provided in Section 2.22
No	No	Advance Threshold Report	E-15	*	Monthly (by 20th)
No	No	Back-up Servicer Files	E-16	*	As agreed to with the Back-up Servicer
No	No	MI Rescission Report	E-17	*	Monthly (by 15th)
No	No	Land Title Adjustment Report	E-18	*	Monthly (by 7th BU day)

"Critical Report"	"Regulatory Report"	Name of Report	Report #	Updates #	Frequency
No	No	Ancillary Income Report	E-19	*	Monthly (by 15th)
No	No	Ocwen Daily Subservicing File	E-20	*	Daily (by noon ET)
No	No	Ocwen Monthly Subservicing File	E-21	*	Monthly (by 7th BU day)
No	No	Exhibit Q Information	*	E-A3	Quarterly (by 45th calendar day
No	No	Provide Fidelity and Errors and Omissions Insurance	*	E-A4	Quarterly (by 45th calendar day
No	No	Customer Service Statistics	E-22	*	Quarterly (by 45th calendar day
No	No	Tracking Report regarding Privacy Notices	E-23	*	Quarterly (by 20th)
No	Yes	NYS VOSR Template	E-24	*	Quarterly (20 days after Quarter-End)
No	Yes	MBFRF Template	E-25	*	Quarterly (20 days after Quarter-End)
No	Yes	MCR Template	E-26	*	Quarterly (30 days after Quarter-End)
No	Yes	Illinois Default and Foreclosure Template	E-27	*	Semi-Annual (by 20th calendar day of July)
No	Yes	California CRMLA Template	E-28	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Illinois Report of Servicing Activity Template	E-29	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Michigan Mortgage Brokers, Lenders and Servicers Template	E-30	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Missouri Report of Residential Mortgage Loan Broker Activity Template	E-31	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Washington Consumer Loan Assessment Report Template	E-32	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Washington Consumer Loan Assessment Report Template	E-33	*	Annual (by 45th calendar day after fiscal year-end)
No	No	Regulation AB Compliance Report	*	E-A5	As defined in Agreement
No	No	Uniform Single Attestation Program Compliance Report	*		As defined in Agreement

"Critical Report"	"Regulatory Report"	Name of Report	Report #	Updates #	Frequency
No	No	SOC 1 Type II of Critical Vendors of Subservicer (or such other Type as may be reasonably satisfactory to Owner/Servicer)	*	E-A6	Within 30 days of receipt, but no later than January 31
No	No	SOC 1 Type II of Subservicer covering a minimum period of nine (9) months	*	E-A7	Within 30 days of receipt, but no later than January 31
No	No	SOC 1 Type II Bridge Letter of Subservicer covering a maximum period of three (3) months	*	E-A8	No later than January 31

EXHIBIT G

THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

Exhibit 10.55

CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUMENT, MARKED BY [***], HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 24B-2 UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

EXECUTION COPY

SUBSERVICING AGREEMENT

NEW PENN FINANCIAL, LLC,
D/B/A SHELLPOINT MORTGAGE SERVICING
as the Owner/Servicer

and

OCWEN LOAN SERVICING, LLC
as the Subservicer

Dated: August 17, 2018

Mortgage Loans

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SUBSERVICING AGREEMENT

THIS SUBSERVICING AGREEMENT (this " Agreement"), dated as of August 17, 2018, (the " Effective Date"), is by and between New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing (the "Owner/Servicer"), having an office at 55 Beattie Pl., Suite 500, Greenville, South Carolina 29601, and Ocwen Loan Servicing, LLC (the "Subservicer"), having an office at 1661 Worthington Road, Suite 100, West Palm Beach, FL 33409.

RECITALS

WHEREAS, the Subservicer is engaged in the business of servicing and subservicing mortgage loans evidenced by notes and secured by deeds of trust, mortgages, trust deeds or like security instruments;

WHEREAS, the Owner/Servicer owns or will acquire from time to time the right to service the mortgage loans or pools of mortgage loans identified on a schedule attached (i) with respect to Servicing Rights not transferred under the Transfer Agreement, to the related Acknowledgment Agreement or other schedule or data file delivered and accepted by the Subservicer or (ii) to the applicable Assignment Agreement (as defined in Transfer Agreement) relating to the Servicing Rights transferred under the Transfer Agreement;

WHEREAS, the Subservicer has the capacity to subservice such mortgage loans for the Owner/Servicer;

WHEREAS, the Owner/Servicer desires that the Subservicer perform, as a subservicer, the Subservicing and the Subservicer is agreeable thereto;

WHEREAS, Ocwen Mortgage Servicing, Inc. ("OMS"), the parent corporation of Subservicer, (i) has reviewed, analyzed, and approved this transaction, (ii) has authorized and caused Subservicer to enter into this Agreement, and (iii) has not delegated any authority to any person outside the United States Virgin Islands to agree to terms on its behalf; and

WHEREAS, the Owner/Servicer and the Subservicer shall each execute this Agreement in the United States Virgin Islands.

NOW, THEREFORE, in consideration of the mutual recitals, promises and covenants set forth herein, and other good and valuable consideration herein receipted for, but not herein recited, the receipt of which is hereby acknowledged, the parties hereto agree and covenant as follows:

ARTICLE I

DEFINITIONS

Whenever used in this Agreement, the following words and phrases, unless the context otherwise requires, shall have the following meanings specified in this Article I:

Acknowledgment Agreement: The document substantially in the form attached hereto as Exhibit A, to be executed by the Owner/Servicer and the Subservicer prior to each Transfer Date with respect to Subservicing any Mortgage Loans identified on the schedule attached thereto pursuant to this Agreement.

Advance Policy: The policies and procedures set forth on Exhibit K that the Subservicer shall be required to follow in connection with making new P&I Advances and Servicing Advances after the Transfer Date and seeking recovery of P&I Advances and Servicing Advances, which policies and procedures may be modified by the Owner/Servicer pursuant to Section 2.3 hereof.

Affiliate: (i) With respect to Subservicer, Corporate Parent, OMS, Homeward Residential Holdings, Inc., Homeward Residential Inc. and the direct or indirect wholly-owned subsidiaries of Subservicer and the direct or indirect subsidiaries of Corporate Parent involved in forward mortgage servicing, forward mortgage lending or related ancillary services and (ii) with respect to the Owner/Servicer, HLSS, MSR–EBO, NRM, New Residential Investment Corp. and the direct or indirect wholly-owned subsidiaries of New Residential Investment Corp.

Agency: Each of Fannie Mae, Freddie Mac and Ginnie Mae, as applicable.

Agency Guidelines: The Fannie Mae Guide, Freddie Mac Guide or Ginnie Mae Guide, as applicable, as such Agency Guidelines may be modified from time to time or enacted subsequent to the date of this Agreement, and any other applicable agreements, rules, regulations, directives, announcements, bulletins and instructions of the applicable Agency relating to the servicing or subservicing of residential mortgage loans.

Agreement: This Agreement as the same may be amended from time to time by the Owner/Servicer and the Subservicer.

Ancillary Income: All income, fees and charges derived from the Mortgage Loans and REO Properties (other than (i) Servicing Compensation, (ii) any Float Benefit, (iii) any prepayment premiums attributable to the Mortgage Loans not payable to an Investor and (iv) any Downstream Ancillary Income), which the Subservicer is entitled to collect (for the Owner/Servicer) solely from third parties (and not from the Owner/Servicer) under Applicable Requirements and Section 4.1, including but not limited to late fees, payoff fees, assumption fees, reinstatement fees, fees received with respect to checks on bank drafts returned by the related bank for insufficient funds, fees payable by third parties (in connection with HAMP, or other incentive fees associated with private label securities), loss mitigation fees, and similar types of fees arising from or in connection with any Mortgage Loan, in any case to the extent not exceeding or violating any applicable amounts or

limitations under Applicable Requirements. In no event shall any Ancillary Income be paid from Owner/Servicer Economics, reimbursed Servicing Advances or reimbursed P&I Advances.

AP Modifications: As defined in Section 2.3.

Applicable Requirements: As to any Mortgage Loan as of the time of reference with respect to the applicable capacity of Owner/Servicer, whether as master servicer, primary servicer or subservicer, (i) all contractual obligations of the Subservicer or the Owner/Servicer as servicer with respect to the Mortgage Loans and/or the Servicing Rights, including without limitation those contractual obligations contained in this Agreement, the Servicing Agreements, any agreement with any Insurer, Investor or other Person or in the Mortgage Loan Documents; (ii) all federal, state and local legal and regulatory requirements (including, without limitation, laws, statutes, rules, regulations and ordinances) applicable to the Subservicer, the Owner/Servicer, the Servicing Rights or the Subservicing thereof, including without limitation the Vendor Oversight Guidance, the applicable requirements and guidelines of any Investor or Insurer, the CFPB, or any other Governmental Authority; (iii) all other judicial and administrative judgments, orders, stipulations, directives, consent decrees, awards, writs and injunctions applicable to the Subservicer, the Owner/Servicer, the Servicing Rights or the Mortgage Loans, (iv) the terms of the related Mortgage Instruments and Mortgage Notes, (v) the applicable Governmental Entity Guidelines with respect to any Mortgage Loan solely to the extent necessary to maintain or collect on insurance or guaranty from FHA, VA or USDA.

Approved Party: As defined in Section 2.10.

Approved Third-Party Appraisers: The following parties and any other residential mortgage servicing appraisal service provider agreed upon by Owner/Servicer and the Subservicer as an "Approved Third-Party Appraiser" for purposes of this Agreement: [***], or any successors thereto, unless either party hereto provides written notice to the other party of its disapproval of such successor.

Average Third Party Mark: In respect of any Servicing Rights, the average of two appraisals from two Approved Third-Party Appraisers engaged by the Owner/Servicer pursuant to Section 8.1. If any particular appraisal is a range of values, then such appraisal shall be the mean of such range of values for purpose of this definition.

Average Third Party Mark Payment: As defined in Section 8.1.

Bankruptcy Code: As defined in Section 10.16.

BCP: As defined in Section 2.18.

Business Day: Any day other than (a) a Saturday or Sunday, (b) a day on which banking institutions in the States of New York, California, Florida, Iowa, New Jersey, Texas or the Commonwealth of Pennsylvania are authorized or obligated by law or by executive order to be

closed, (c) a day that is not a business day as provided in the applicable Servicing Agreement or (d) such other days as agreed upon by the parties in writing.

CFPB: The Consumer Financial Protection Bureau, an independent federal agency operating as part of the United States Federal Reserve System.

Change of Control: Unless otherwise consented to by Owner/Servicer (a decision on which shall not be unreasonably delayed) with respect to the Subservicer, shall mean (i) any transaction or event as a result of which the Corporate Parent ceases to own, directly or indirectly, more than 50% of the stock of Subservicer; (ii) the sale, transfer, or other disposition of all or substantially all of Subservicer's assets (excluding any such action taken in connection with any securitization transaction or routine sales of mortgage loans); or (iii) the consummation of a merger or consolidation of Subservicer with or into another entity or any other corporate reorganization, if more than fifty percent (50%) of the combined voting power of the continuing or surviving entity's equity outstanding immediately after such merger, consolidation or such other reorganization is owned by persons who were not equityholders of the Subservicer immediately prior to such merger, consolidation or other reorganization. Unless otherwise consented to by Owner/Servicer (a decision on which consent shall not be unreasonably delayed) with respect to the Corporate Parent, shall mean (i) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Effective Date) shall have obtained the power (whether or not exercised) to elect a majority of the board of directors (or equivalent governing body) of the Corporate Parent (ii) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Effective Date) is or shall become the "beneficial owner" (as defined in Rules 13(d)-3 and 13(d)-5 under the Exchange Act as in effect on the Effective Date), directly or indirectly, of forty nine percent (49%) or more on a fully diluted basis of the voting interests in the Corporate Parent's Equity Interests, or (iii) the current members of the Corporate Parent's board of directors as of the Effective Date (or equivalent governing body) shall cease to represent a majority of the directors of the Corporate Parent's board of directors (or equivalent governing body). Notwithstanding the foregoing, Owner/Servicer agrees that it shall be deemed to consent to the transaction set forth on Schedule 1.1.

Change Request: As defined in Section 2.3

Change Notice: As defined in Section 2.3

Charged-off Loans: Any Mortgage Loans that have been charged off in accordance with Applicable Requirements and Servicing Procedures.

Claim: Any claim, demand or litigation related to the Mortgage Loans, the Subservicing, the Servicing Rights or this Agreement.

Client Contract: A "Subservicing Agreement" as defined in the applicable Servicing Agreement (or other like terminology used to reference the agreement giving rise to the applicable SBO Servicer's obligations to service the Mortgage Loans related to such Servicing Agreement).

Commission: The United States Securities and Exchange Commission.

Compensating Interest: Amounts required to be paid to the applicable Investor pursuant to the applicable Servicing Agreement for shortfalls in interest payments, if any, in connection with respect to principal prepayments or shortfalls (which shortfalls are not attributable to the failure of the Subservicer to service in accordance with Applicable Requirements), if any.

Compensatory Fees: Any compensatory fees, fines, penalties or other monies assessed by the Governmental Entity for failure to adhere to the applicable Governmental Entity Guidelines in servicing the Mortgage Loans, including without limitation applicable foreclosure, reporting and remitting timelines.

Confidential Information: Any and all information regarding the transactions contemplated by this Agreement, Consumer Information, the proprietary, confidential and non-public information or material relating to the business (including business practices) of the Disclosing Party (as defined in Section 10.12) (or the Disclosing Party's clients and investors), information regarding the financial condition, operations and prospects of the Disclosing Party, and any other information that is disclosed to one party by or on behalf of the other party or any of their respective Affiliates or representatives, either directly or indirectly, in writing, orally or by drawings or by permitting inspection of documents or other tangible expression, whether exchanged before or after the date of this Agreement, and contained in any medium, which the Disclosing Party considers to be non-public, proprietary or confidential. Confidential Information includes (but is not limited to) all (a) information relating to HLSS and MSR–EBO's interest in the Rights to MSRs and/or Excess Servicing Fee (each as defined in the New RMSR Agreement) or the amount, characteristics or performance of the Mortgage Loans or any economic or noneconomic terms of this Agreement; (b) information relating to research and development, discoveries, formulae, inventions, policies, guidelines, displays, specifications, drawings, codes, concepts, practices, improvements, processes, know-how, patents, copyrights, trademarks, trade names, trade secrets, and any application for any patent, copyright or trademark; and (c) descriptions, financial and statistical data, business plans, data, pricing, reports, business processes, recommendations, accounting information, identity of suppliers, business relationships, personnel information, technical specifications, computer hardware or software, information systems, customer lists, costs, product concepts and features, corporate assessments strategic plans, services, formation of investment strategies and policies, other plans, or proposals, and all information encompassed in the foregoing. Information relating to the Disclosing Party's consultants, employees, clients, investors, customers, members, vendors, research and development, software, financial condition or marketing plans is also considered Confidential Information.

Confidentiality Agreement: That certain Confidentiality Agreement, dated as of May 5, 2015, by and between New Residential Investment Corp. and Subservicer.

Consumer Information: Any personally identifiable information relating to a Mortgagor which is considered "nonpublic personal information" of "customers" or "consumers" as those terms are defined in the GLBA.

Corporate Parent: Ocwen Financial Corporation, or any successor thereto.

Critical REO Disposition Vendor: As defined in Section 2.10(b).

Critical Report: The reports (other than the Owner/Servicer Regulatory Reports) identified as such on Exhibit E-1 attached hereto which the Subservicer is required hereunder to deliver to the Owner/Servicer, which report list shall be amended from time to time upon mutual agreement of the Subservicer and Owner/Servicer.

Critical Vendor: As defined in Section 2.4(a).

Custodial Account: With respect to each Investor, the accounts created and maintained at a Qualified Depository designated by the Owner/Servicer in which Custodial Funds for the related Mortgage Loans are deposited and held in the name of the Owner/Servicer to the extent not prohibited by the applicable Servicing Agreement.

Custodial Funds: All funds held by or on behalf of the Subservicer with respect to the Mortgage Loans, including, but not limited to, all principal and interest funds and any other funds due Investors, buydown funds maintained by or on behalf of the Subservicer relating to the Mortgage Loans, exclusive of Escrow Payments.

Custodian: With respect to each Mortgage Loan, the document custodian designated by the Owner/Servicer (to the extent permitted in the applicable Servicing Agreement) or the applicable Investor to act as custodian of the Mortgage Loan Documents for such Mortgage Loan.

Default Firms: Shall have the meaning assigned to such term in Section 2.4.

Delinquency or Delinquent: With respect to any Mortgage Loan, the Mortgage Loan that would be considered one month or more delinquent following the OTS Methodology.

Disclosing Party: Shall have the meaning assigned to such term in Section 10.12.

Downstream Ancillary Income: Any and all income or fees referenced on the applicable HUD-1/closing disclosure relating to REO Disposition Services.

Depositor: The depositor, as such term is defined in Regulation AB, with respect to any securitization transaction.

Effective Date of Termination: With respect to the termination of Subservicer, (i) if terminated pursuant to Section 5.1(b) during the Initial Term, the day which is one hundred and eighty (180) days following the date on which the Owner/Servicer notified the Subservicer of its termination, (ii) if, after the Initial Term, not affirmatively renewed for an additional term pursuant to Section 5.1(b), the last day of the then-current term and (iii) if terminated pursuant to Section 5.1(d), or Section 5.3, the date Owner/Servicer notifies Subservicer of its termination. With respect to a termination of Owner/Servicer, (i) if terminated pursuant to Section 5.1(c) the last Business Day of the term in which the Subservicer notified Owner/Servicer of its termination and (ii) if terminated pursuant to Section 5.6, the date Subservicer notifies Owner/Servicer of its termination.

Equity Interests: With respect to any Person, any and all shares, interests, rights to purchase, warrants, options, participation or other equivalents of or interest in (however designated) equity of such Person, including any common stock, preferred stock, any limited or general partnership

interest and any limited liability company membership interest, as applicable; provided that, for the avoidance of doubt and without limitation, "Equity Interests" shall exclude the convertible notes and any other indebtedness convertible into or exchangeable for Equity Interests.

Escrow Account: With respect to each Investor, a time deposit or demand account (in the name of the Owner/Servicer to the extent not prohibited by the applicable Servicing Agreement) created and maintained at a financial institution designated by the Owner/Servicer for the deposit of Escrow Payments and related disbursements, as required by the applicable Servicing Agreement.

Escrow Agent: The Bank of New York Mellon Trust Company or such other Person as mutually agreed upon by the Owner/Servicer and the Subservicer.

Escrow Agreement: That certain agreement among the Owner/Servicer, the Subservicer and the Escrow Agent, entered into prior to the applicable Successor Transfer Date.

Escrow Payments: The amounts required to be escrowed by the Mortgagor pursuant to any Mortgage Loan and held in Escrow Accounts pursuant to the Applicable Requirements (including interest accrued thereon for the benefit of the Mortgagors under the Mortgage Loans, if required by law or contract).

Exchange Act: The Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

Exit Fee: An amount equal to the product of (A) the unpaid principal balance of the Mortgage Loans to be included in the related Resecuritized Transaction where the Subservicer is not being retained under the Resecuritization Transaction pursuant to Section 5.1(d) and (B) the applicable Exit Fee Percentage.

Exit Fee Percentage: The applicable basis points set forth in Exhibit D associated as of the actual transfer date set forth in Exhibit D.

Fannie Mae: The Federal National Mortgage Association, or any successor thereto.

Fannie Mae Guide: The Fannie Mae Single Family Servicing Guide, as amended, supplemented or otherwise modified from time to time.

FDIC: The Federal Deposit Insurance Corporation, or any successor thereto.

FHA: The Federal Housing Administration of the Department of Housing and Urban Development of the United States of America, or any successor.

FHA Regulations: Regulations promulgated by HUD under the National Housing Act, codified in Title 24 of the Code of Federal Regulations, and other HUD issuances relating to mortgage loans insured by the FHA.

Fidelity and Errors and Omissions Insurance: As defined in Section 2.12.

Float Benefit: All benefit (including interest or earnings) related to the Escrow Accounts (net of amounts due to the related Mortgagors under applicable law) and the Custodial Accounts, as applicable, with respect to the Mortgage Loans.

Foreclosure Liquidation: The liquidation of a defaulted Mortgage Loan through foreclosure sale.

Formatted Servicer Report; As defined in Section 2.8(c).

Freddie Mac: The Federal Home Loan Mortgage Corporation, or any successor thereto.

Freddie Mac Guide: The Freddie Mac Single Family Servicing Guide, as amended, supplemented or otherwise modified from time to time.

GAAP: Generally accepted accounting principles in effect from time to time in the United States of America.

Ginnie Mae: The Government National Mortgage Association, or any successor thereto.

Ginnie Mae Guide: The Ginnie Mae Mortgage Backed Securities (MBS) Guide, as amended, supplemented or otherwise modified from time to time.

GLBA: The Gramm-Leach-Bliley Act of 1999 as amended, modified, or supplemented from time to time, and any successor statute, and all rules and regulations issued or promulgated in connection therewith.

Governmental Authority: Any court, board, agency, State Agency, commission, office or other authority or quasi-governmental authority or self-regulatory organization of any nature whatsoever for any governmental unit (foreign, federal, state, county, district, municipal, city or otherwise) whether now or hereafter in existence.

Governmental Entity: Each of FHA, USDA and VA, as applicable.

Governmental Entity Guidelines: The FHA Regulations, USDA Regulations, or VA Regulations, as applicable, as such Governmental Entity Guidelines may be modified from time to time or enacted subsequent to the date of this Agreement, and any other applicable agreements, rules, regulations, directives, announcements, bulletins and instructions of the applicable Governmental Entity relating to the servicing or subservicing of residential mortgage loans.

HAMP: The Home Affordable Modification Program implemented by the United States Department of Treasury pursuant to Section 101 and 109 of the Emergency Economic Stabilization Act of 2008, as the same may be amended or modified.

HLSS: HLSS Holdings, LLC.

HUD: The United States Department of Housing and Urban Development, or any successor thereto.

Initial Response: As defined in Section 2.3.

Initial Response Backup: As defined in Section 2.3.

Initial Response Notice: As defined in Section 2.3.

In-process Loan Modification: A trial or permanent loan modification offered by the Subservicer or any prior servicer that was either accepted by the Mortgagor or for which the time for the Mortgagor to accept the offer has not expired and the offer has not been rejected. The term also means and includes (a) trial modifications in which the Subservicer or any prior servicer agreed to modify the payment terms of the Mortgage Loan unless the Subservicer or a prior servicer has clear written evidence that the Mortgagor has failed to perform under the trial loan modification terms and (b) modifications in which the Mortgagor completed making the trial payments, but the permanent modification was not inputted into the Subservicer or any prior servicer's system.

Insurer: FHA, VA, USDA or any private mortgage insurer, pool insurer and any insurer or guarantor under any standard hazard insurance policy, any federal flood insurance policy, any title insurance policy, any earthquake insurance policy or other insurance policy, and any successor thereto, with respect to the Mortgage Loan or the Mortgaged Property.

Interim Servicing Agreement: The agreements entered into by the Subservicer, the Owner/Servicer, Affiliates thereof and/or certain other parties on the dates of related clean-up calls with respect to certain identified Mortgage Loans serviced hereunder which agreements shall be substantially similar to the following documents: [***].

Internal Cost Variance: As defined in Section 2.10(c).

Investor: Any securitization trust, issuer or other owner of the Mortgage Loans for which the Owner/Servicer services such Mortgage Loans pursuant to a Servicing Agreement or, with respect to Mortgage Loans owned by the Owner/Servicer, the Owner/Servicer. For purposes of this Agreement, references to the Investor shall include a trustee, master servicer, securities administrator or other party acting on behalf of an Investor but shall not include any Agency.

[***]

Loss or Losses: Any and all losses, damages, deficiencies, Claims, liabilities, penalties, costs or expenses, including without limitation reasonable costs of investigation (solely to the extent such investigation is required to address a third party claim), attorneys' fees and disbursements.

Loss Mitigation: With respect to any Mortgage Loan, any modified or proposed payment arrangement, proposed, trial or permanent loan modification, In-process Loan Modification, forbearance plan, short sale, deed-in-lieu agreement, HAMP and any other non-foreclosure home retention or non-retention option offered by the Subservicer or any prior servicer that is made available to the Mortgagor by or through the Subservicer or any prior servicer, including any application or request of a Mortgagor for any of the foregoing. For avoidance of doubt, this definition

shall apply only to Mortgage Loans in loss mitigation or where a loss mitigation application is pending.

Master Agreement: The Master Agreement, dated as of July 23, 2017, among Subservicer, Owner/Servicer, HLSS and MSR–EBO.

Master Servicer: The "Master Servicer" as defined in the applicable Servicing Agreement (or other like terminology used to reference the entity that performs Master Servicing functions under such Servicing Agreement).

Master Servicing: Subject to Applicable Requirements, the master servicing functions related to the Servicing Rights under the applicable Servicing Agreement, Client Contract and this Agreement, including, without limitation, the REMIC administrator obligations to the extent applicable pursuant with the terms of (1) the Agreement (unless expressly set forth in Exhibit R) and (2) the applicable Servicing Agreement, operational functions of receiving and reconciling funds from SBO Servicers, reconciling servicing activity with respect to servicing performed by SBO Servicers, calculating remittance amounts to certificateholders, sending remittances to the trustee for distributions to certificateholders, investor and tax reporting, bond administration, coordinating loan repurchases, overseeing of servicing of the SBO Servicers, approving SBO Servicers' requests for non-delegated activities, and/or management and liquidation of REO Properties (including appraisals and brokerage services).

Master Servicing Addendum: As defined in Section 2.1(h).

Material Adverse Change: With respect to any Person, any material adverse change in the business, condition (financial or otherwise), or operations, of such Person.

Material Adverse Effect: With respect to the Subservicer (a) a Material Adverse Change with respect to the Subservicer or any of its Affiliates taken as a whole; (b) a material impairment of the ability of the Subservicer to perform under this Agreement, or to avoid a Subservicer Termination Event; (c) a material adverse effect upon the legality, validity, binding effect or enforceability of this Agreement against the Subservicer; or (d) a material adverse effect upon the value or marketability of a material portion of the Servicing Rights related to the Mortgage Loans subserviced pursuant to this Agreement and subserviced or serviced pursuant to any NRZ Servicing/Subservicing Agreement, taken as a whole. With respect to the Servicing Rights related to the Mortgage Loans subserviced pursuant to this Agreement and subserviced or serviced pursuant to any NRZ Servicing/Subservicing Agreement, a material adverse effect (a) upon the value or marketability of a material portion of the Servicing Rights or (b) on the ability of the Subservicer to realize the full benefits of the Servicing Rights. With respect to the Owner/Servicer (a) a Material Adverse Change with respect to the Owner/Servicer or any of its Affiliates taken as a whole; (b) a material impairment of the ability of the Owner/Servicer to perform under this Agreement, or to avoid any Owner/Servicer Termination Event under this Agreement (that cannot be timely cured, to the extent a cure period is applicable); (c) a material adverse effect upon the legality, validity, binding effect or enforceability of this Agreement against the Owner/Servicer; or (d) a material adverse effect upon the value or marketability of a material portion of the Servicing Rights related

to the Mortgage Loans subserviced pursuant to this Agreement and any NRZ Servicing/Subservicing Agreement, taken as a whole.

Material Debt Agreement: Any debt, repurchase agreement, loan and security agreement or similar credit facility or agreement for borrowed funds in the amount of twenty million dollars ($20,000,000) or more in the aggregate between a lender and the Subservicer, the Corporate Parent or any subsidiary or Affiliate of Subservicer (other than Automotive Capital Services, Inc. and Liberty Home Equity Solutions, Inc.).

Measurement Balance: As of any date of determination, the unpaid principal balance of the Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement).

Measurement Loans: Other than any Mortgage Loans with respect to which the Subservicer is solely performing Master Servicing functions, the Prior Ocwen Serviced Loans hereunder and under any NRZ Servicing/Subservicing Agreement or any mortgage loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement and any Mortgage Loans subject to an MSRPA Servicing Agreement (as defined in the New RMSR Agreement) as of the date of the New RMSR Agreement or that were previously subject to a Deferred Servicing Agreement (as defined in the Master Agreement) and which, in each case, are being serviced or subserviced by Subservicer for any NRZ O/S Entity or any of their respective Affiliates or securitizations sponsored by New Residential Investment Corp. or any of its subsidiaries, including on an interim basis, but excluding any Mortgage Loans with respect to which (x) the Servicing Rights have been transferred to a third party pursuant to the New RMSR Agreement or the Servicing Addendum, (y) the Rights to MSRs (as defined in the New RMSR Agreement) and Transferred Receivables Assets (as defined in the New RMSR Agreement) have been transferred to Subservicer or an Affiliate of Subservicer pursuant to the New RMSR Agreement or the Servicing Addendum or (z) the subservicing of such Mortgage Loans is being performed by a party other than Subservicer or an Affiliate of Subservicer pursuant to Section 5.7 of the Servicing Addendum.

MERS: Mortgage Electronic Registration Systems, Inc., or any successor thereto.

[***]

Monthly Financial Covenant Certification: As defined in Section 2.22.

Mortgage: The mortgage, deed of trust or other instrument creating a first or second lien on a Mortgaged Property securing a Note (or a first or second lien on (a) in the case of a cooperative, the related shares of stock in the cooperative securing the Note and (b) in the case of a ground rent, the leasehold interest securing the Note).

Mortgage Loan: Fixed or adjustable rate mortgage loans identified by the Owner/Servicer pursuant to Section 2.1 for which the Subservicer accepts subservicing from the Owner/Servicer from time to time for inclusion under the terms of this Agreement and any REO Property resulting from Mortgage Loans described in this definition.

Mortgage Loan Documents: With respect to each Mortgage Loan, (a) the original Mortgage Loan documents held by the Custodian, including the Note, and if applicable, cooperative mortgage loan related documents and (b) all documents required by the applicable Investor to be held by the Custodian under Applicable Requirements.

Mortgage Servicing File: With respect to each Mortgage Loan, all documents whether in hard copy, computer record, microfiche or any other format, evidencing and pertaining to a particular Mortgage Loan and relating to the processing, origination, servicing, collection, payment and foreclosure of such Mortgage Loan, necessary to service the Mortgage Loans in accordance with Applicable Requirements or required to be held by the servicers under Applicable Requirements, including without limitation the following documents with respect to each Mortgage Loan: (a) a schedule of all transactions credited or debited to the Mortgage Loan, including the Escrow Account and any suspense account; (b) copies of the Mortgage Loan Documents; (c) any notes created by the Subservicer (or any prior servicer) personnel reflecting communications with the Mortgagor about the Mortgage Loan; (d) any reports specific to the Mortgage Loan created by the Subservicer (or any prior servicer) in connection with the Subservicing of the Mortgage Loan; (e) copies of information or documents provided by Mortgagor to the Subservicer in connection with any error resolution or loss mitigation; and (f) any documents or records required to be maintained by the servicer under the applicable Servicing Agreement.

Mortgaged Property: The real property securing a Mortgage Loan, including all buildings and fixtures thereon.

Mortgagor: The mortgagor, grantor of security deeds, grantor of trust deeds and deeds of trust, and the grantor of any Mortgage.

MSR–EBO: HLSS MSR–EBO Acquisition LLC.

MSRPA: As defined in Section 2.16.

New Mortgage Loan: With respect to any existing Mortgage Loan subject to this Agreement, a new mortgage loan (i) which is originated when the related Mortgagor (A) refinances such existing Mortgage Loan with proceeds from such new mortgage loan which is secured by the same mortgaged property or (B) pays off in full such existing Mortgage Loan and obtains a new mortgage loan secured by a different mortgaged property and, in each case, such refinancing or new borrowing resulted from the solicitation efforts of the Subservicer or any brokers, correspondent lenders, agents or independent contractors that Subservicer engaged to solicit such refinancing or new borrowing on its behalf and (ii) for which the related Servicing Rights are transferred to NRM pursuant to Exhibit B.

New RMSR Agreement: That certain New RMSR Agreement, dated as of January 18, 2018, by and among the Subservicer, Owner/Servicer, HLSS and MSR–EBO, as amended, supplemented or otherwise modified from time to time.

NRM: New Residential Mortgage LLC.

NRM PLS Subservicing Agreement: The Subservicing Agreement, dated as of July 23, 2017, between NRM, as owner/servicer and Subservicer, as subservicer for non-agency loans as may be amended, supplemented or otherwise modified from time to time.

NRM Agency Subservicing Agreement: The Subservicing Agreement, dated as of August 17, 2018, between NRM, as owner/servicer and Subservicer, as subservicer for agency loans as may be amended, supplemented or otherwise modified from time to time.

Note: The original executed note evidencing the indebtedness of a Mortgage.

NRZ O/S Entity: Each of Owner/Servicer, NRM, HLSS and MSR–EBO.

NRZ Servicing/Subservicing Agreement: Each of the NRM PLS Subservicing Agreement, the Servicing Addendum, and this Agreement.

Off-shore Vendor: Any Vendor which is located outside the United States of America and/or the services provided by any Vendor are being performed outside the United States of America.

Original Closing Date: July 23, 2017.

O/S Direction: As defined in Section 2.3.

OTS Methodology: A method of calculating delinquency of a Mortgage Loan based upon The Office of Thrift Supervision method, under which method a Mortgage Loan is considered delinquent if the payment has not been received by the Mortgage Loan's next due date. For example, a Mortgage Loan with a due date of August 1, 2017, with no payment received by the close of business on September 1, 2017, would have been reported as delinquent on October 1, 2017.

Owner/Servicer Economics: The sum of the following, without duplication, (i) all Servicing Compensation payable to the Owner/Servicer as servicer of the Mortgage Loans under the applicable Servicing Agreement and/or received during the applicable Investor accounting cycle, (ii) all amounts payable to the Owner/Servicer as the Investor of any Mortgage Loans during the related collection period, (iii) all recoveries on the Mortgage Loans of Servicing Advances and P&I Advances previously funded or reimbursed by the Owner/Servicer to the Subservicer or the prior servicer, (iv) if positive, the excess of all penalties assessed pursuant to Section 2.7(d) minus all bonuses payable pursuant to Section 2.7(d), and (v) all other outstanding amounts collected and payable to the Owner/Servicer under this Agreement (including Float Benefit pursuant to Section 2.8(h)).

Owner/Servicer Expenses: "Out-of-pocket" costs to third parties incurred in accordance with Applicable Requirements by the Subservicer in servicing the Mortgage Loans and REO Properties that are not reimbursable by the related Mortgagor, by the related Investor or from Liquidation Proceeds in accordance with the applicable Mortgage Loan Documents and/or Servicing Agreement, as applicable, and that constitute the cost of (a) Mortgagor counseling fees payable to a third party, (b) any Mortgage Loan Assignment, recording, trustee, endorsement or release fee including recordation of powers of attorney and any MERS charges, which fees are not reimbursable

to Subservicer by any other party, (c) solely with respect to any Mortgage Loan which is not a Prior Ocwen Serviced Loan, life of loan flood tracking contracts to the extent such Mortgage Loan did not have a life of loan flood tracking contract on the related Transfer Date, (d) solely with respect to any Mortgage Loan which is not a Prior Ocwen Serviced Loan, life of loan tax service contracts to the extent such Mortgage Loan did not have a life of loan tax service contract on the related Transfer Date, (e) solely with respect to any Mortgage Loan which is not a Prior Ocwen Serviced Loan, tax certifications performed to research past due tax amounts, (f) funds to repurchase Mortgage Loans from the applicable Investor to the extent the Subservicer obtained the prior written consent of the Owner/Servicer to repurchase such Mortgage Loan(s), (g) interest on escrow payable to Mortgagors in accordance with Section 2.2(a)(iv), (h) LPMI premiums, (i) changing a Custodian at the direction of the Owner/Servicer, (j) Compensating Interest, (k) amounts payable by the Owner/Servicer in accordance with Section 2.3 of this Agreement, (l) solely with respect to the applicable Mortgage Loans related to the Master Servicing Rights, the compensation of the applicable trustee to the extent the related Servicing Agreement requires that the Master Servicer is required to pay the trustee its compensation as calculated thereunder, and (m) any other fees or amounts expressly agreed to be paid by the Owner/Servicer pursuant to this Agreement (other than indemnity payments to be made in accordance with Article VIII).

Owner/Servicer Regulatory Report: The reports identified "Regulatory Reports" in the Formatted Servicing Reports attached hereto which the Subservicer is required hereunder to deliver to the Owner/Servicer, which report list shall be amended from time to time pursuant to Section 2.3.

Owner/Servicer Termination Event: As defined in Section 5.6.

P&I: Principal and interest.

P&I Advance: Principal and interest, if any, advanced to an Investor related to a Mortgage Loan, required to be made under the applicable Servicing Agreement.

Performance Triggers: Any of the events set forth on Exhibit J, as may be modified by mutual agreement of the parties from to time, including upon the addition of additional Mortgage Loans as reflected in an Acknowledgment Agreement, or through other written agreement of the parties, it being understood that, to the extent applicable, the Subservicer, the Owner/Servicer and the NRZ O/S Entities shall coordinate with respect to any modifications to the Performance Triggers under and as defined in the respective NRZ Subservicing Agreement and any modifications to the Performance Triggers hereunder.

Person: Any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, limited partnership, government or any agency or political subdivision thereof or any similar entity.

PMI: Private mortgage insurance.

PMI Companies: The insurance companies that have issued PMI policies insuring any of the Mortgage Loans.

PMI Proceeding Advance: Any and all Losses incurred by the Subservicer (or any agent, attorney, Vendor and/or representative of the Subservicer) in connection with any PMI Proceeding, regardless whether the Subservicer and/or the Owner/Servicer is entitled under the related Servicing Agreement to be reimbursed for such Losses.

Prime Rate: The prime rate announced to be in effect from time to time, as published as the average rate in *The Wall Street Journal (Northeast edition)*.

Prior Ocwen Serviced Loans: As defined in Section 2.1(d).

Qualified Depository: A depository (a) the accounts of which are insured by the Federal Deposit Insurance Corporation, or any successor thereto and (b) that is compliant with Applicable Requirements.

Rating Agencies: Standard & Poor's Financial Services LLC, Moody's Corporation, Fitch Ratings, Inc., DBRS, Inc., Kroll Bond Rating Agency, Inc. and, if specified in any related Securitization Transaction, any other nationally recognized statistical rating organization or their respective successors, or any successor in interest thereto.

Reconciliation Report: As defined in Section 4.1.

Reconstitution Date: The date(s) on which any or all of the Mortgage Loans serviced under this Agreement (or the related Servicing Rights) shall be removed from this Agreement and reconstituted as part of a Securitization Transaction pursuant to Section 9.1.

Regulation AB: Subpart 229.1100 – Asset Backed Securities (Regulation AB), 17 C.F.R. §§ 229.1100-229.1123, as such may be amended from time to time, and subject to such clarification and interpretation as have been provided by the Commission in (a) the adopting release (Asset-Backed Securities, Securities Act Release No. 33-8518, 70 Fed. Reg. 1,506, 1,631 (Jan. 7, 2005)), (b) the adopting release (Asset-Backed Securities, Securities Act Release Nos. 33-9638 and 34-72982, 79 Fed. Reg. 57,183, 57,346 (September 24, 2014)), or (c) by the staff of the Commission, or as may be provided by the Commission or its staff from time to time.

REMIC: A "real estate mortgage investment conduit" within the meaning of Section 860D of the Code.

REMIC Provisions: Provisions of the federal income tax law relating to REMICs, which appear in Sections 860A through 860G of Subchapter M of Chapter 1, Subtitle A of the Code, and related provisions, and regulations, rulings, or pronouncements promulgated thereunder, as the foregoing may be in effect from time to time.

Remittance Date: The monthly remittance date as set forth in the related Servicing Agreement.

REO Disposition Services: The services provided by a Vendor or services which such Vendor controls, which shall include, without limitation, valuation services, property preservation and inspection, trustee services, insurance, title services, management services, liquidation services

(REO sales, short sales), due diligence services, mortgage charge off collection, mortgage fulfillment and underwriting services unless otherwise agreed to by the parties, but shall exclude umbrella insurance on REO Properties.

REO Property: A Mortgaged Property acquired on behalf of an Investor by foreclosure or other similar process.

Reporting Date: With respect to each report listed in Exhibit E-1, the date specified therein.

Representatives: With respect to the Owner/Servicer or any NRZ O/S Entity, the employees, managers, advisors, agents, contractors, counsel, auditors and other representatives of the Owner/Servicer or such NRZ O/S Entity.

SBO Servicer: A "Servicer" or "Subservicer" as defined in the applicable Servicing Agreement for servicing and administration (or other like terminology used to reference the entity that is overseen by the Master Servicer under such Servicing Agreement), which may be the Subservicer.

Securitization Servicing Agreement: The agreement entered into by the Subservicer, the Owner/Servicer and certain other parties on the Reconstitution Date or Reconstitution Dates with respect to certain identified Mortgage Loans serviced hereunder in connection with a Securitization Transaction, which agreement shall be substantially similar to [***] (including, but not limited to, with respect to the compensation of the Subservicer and the payment of a portion of the servicing fee arising under such Securitization Servicing Agreement to Owner/Servicer or its Affiliate pursuant to the [***]), or such other securitization servicing agreement as the Owner/Servicer and Subservicer may mutually agree upon.

Securitization Transaction: Any transaction involving either (a) a sale or other transfer of certain identified Mortgage Loans directly or indirectly by New Residential Investment Corp. or its Affiliates to an issuing entity in connection with an issuance of publicly offered or privately placed, rated or unrated mortgage-backed securities or (b) an issuance of publicly offered or privately placed, rated or unrated securities (directly or indirectly by New Residential Investment Corp. or its Affiliates), the payments on which are determined primarily by reference to one or more portfolios of residential mortgage loans consisting, in whole or in part, of some or all of the Mortgage Loans.

Service Level Agreements or SLAs: As defined in Section 2.7(a) of this Agreement.

Servicer Transfer Data: The computer records provided by the prior servicer to the Subservicer reflecting the status of payments, balances and other pertinent information with respect to the Mortgage Loans necessary to subservice the Mortgage Loans in accordance with Applicable Requirements.

Servicing Addendum: That certain Servicing Addendum attached as Annex 1 to the New RMSR Agreement as may be amended, supplemented or otherwise modified from time to time.

Servicing Advance: All customary, reasonable and necessary actual "out of pocket" costs and expenses incurred by the Subservicer in accordance with the Applicable Requirements and the Advance Policy, and after the Transfer Date, subject to the terms of this Agreement, excluding (i) any P&I Advance or indemnification amounts payable by the Subservicer pursuant to this Agreement and (ii) any PMI Proceeding Advances.

Servicing Agreement: With respect to each Mortgage Loan, the related servicing agreement, pooling and servicing agreement, subservicing agreement or similar agreement pursuant to which the Owner/Servicer is a party as the servicer (including master, special, primary or subservicer) thereunder as of the related Transfer Date, addressing the Servicing Rights and servicing obligations with respect to such Mortgage Loan, which servicing agreement shall be identified (i) on a schedule attached to the related Acknowledgment Agreement or (ii) on a schedule attached to the related Assignment Agreement (as defined in the Transfer Agreement). Servicing Agreements shall also include other agreements under which the Owner/Servicer has been assigned rights and/or has assumed obligations with respect to its role as servicer (including master, special, primary or subservicer) of the related Mortgage Loans.

Servicing Compensation: The aggregate amount payable to the Owner/Servicer under the applicable Servicing Agreement (including any deferred servicing fees and Downstream Ancillary Income) related to a Mortgage Loan as consideration for servicing such loan, expressed as a percentage of the unpaid principal balance thereof or a dollar amount per Mortgage Loan and excluding Ancillary Income. In addition, solely with respect to the applicable Mortgage Loans related to the Master Servicing Rights, any net gain from REO Properties resulting from liquidation proceeds exceeding the amount due to certificateholders or the applicable Investor after reimbursement of all expenses to the related SBO Servicer.

Servicing Criteria: The "servicing criteria" used and identified in the Subservicer's 2016 Regulation AB reporting as the same may be modified from time to time to comply with any amendments, modifications, supplements or interpretations that relate to Item 1122(d) of Regulation AB.

Servicing Procedures: The Subservicer's internal written procedures applicable to the servicing and subservicing of mortgage loans similar to the Mortgage Loans, including but not limited to delinquency and loss mitigation efforts (i.e., modification, short sales, deed-in-lieu, cash for keys, etc.), as such procedures may be modified from time to time in accordance with Section 2.3.

Servicing Rights: Subject to any applicable Servicing Agreement, with respect to a Mortgage Loan, solely to the extent applicable to the relevant capacity of Owner/Servicer, whether as master servicer, primary servicer or subservicer, collectively, (i) the rights and obligations to service, administer, collect payments for the reduction of principal and application of interest thereon, collect payments on account of taxes and insurance, pay taxes and insurance, remit collected payments, provide foreclosure services, provide full escrow administration, (ii) any other obligations required by any Investor in connection with such Mortgage Loan pursuant to the applicable Servicing Agreement, (iii) the right to possess any and all documents, files, records, Mortgage Servicing File, servicing documents, servicing records, data tapes, computer records, or other information

pertaining to such Mortgage Loan or pertaining to the past, present or prospective servicing of such Mortgage Loan, (iv) the right to receive the Servicing Compensation and any Ancillary Income arising from or connected to such Mortgage Loan and the benefits derived from and obligations related to any accounts arising from or connected to such Mortgage Loan, (v) the rights of the servicer, if any, to exercise option redemption, optional termination or clean-up call rights under the applicable Servicing Agreement, (vi) any other rights of the servicer set forth in the applicable Servicing Agreement, and (vii) all rights, powers and privileges incident to any of the foregoing, subject, in each case, to any rights, powers and prerogatives retained or reserved by the Investors.

Servicing Transfer Costs: All reasonable out-of-pocket costs and expenses incurred in connection with the transfer of the servicing of the Mortgage Loans, including, without limitation, any reasonable costs or expenses associated with the complete transfer of all servicing data and the completion, correction or manipulation of such servicing data as may be required by the transferee subservicer to correct any errors or insufficiencies in the servicing data or otherwise enable the transferee servicer or subservicer to service the Mortgage Loans properly and effectively, all costs and expenses incurred in connection with the transfer and delivery of the Mortgage Loans, if applicable, including costs and expenses incurred to transfer existing imaged copies (with existing indexing) of all documents related to the Mortgage Loans, recording fees, fees for the preparation, delivery, tracking and recording of assignments of Mortgages or any MERS transfer related costs related to a transfer of servicing and all costs associated with the transfer of (or, if not transferable to a successor servicer or subservicer, the purchase of) life of loan tax service and flood certification contracts. For the avoidance of doubt, "Servicing Transfer Costs" shall not include any boarding or deboarding fees.

SP Modifications: As defined in Section 2.3.

State Agency: Any state or local agency with authority to (i) regulate the business of the Owner/Servicer or the Subservicer or the Corporate Parent, including without limitation any state or local agency with authority to determine the investment or servicing requirements with regard to mortgage loans originated, purchased or serviced by the Owner/Servicer or the Subservicer or the Corporate Parent, or (ii) originate, purchase or service mortgage loans, or otherwise promote mortgage lending, including without limitation state and local housing finance authorities.

Step-up Fee: With respect to each day between the Effective Date of Termination and the Successor Transfer Date described in Section 5.4(d)(i)(A) or 5.4(d)(ii)(A), [***] basis points ([***]), and, with respect to each day between the Effective Date of Termination and the Successor Transfer Date described in Section 5.4(d)(i)(B) or 5.4(d)(ii)(B), [***] basis points ([***]).

Subservicer Economics: With respect to any calendar month, an amount equal to the sum of (A) if positive, the excess of all bonuses payable pursuant to Section 2.7(d) over all penalties assessed pursuant to Section 2.7(d) and (B) an amount equal to (x) the product of (i) either (A) [***] or (B) if the conditions set forth in Section 5.4(d) have occurred, the applicable Step-up Fee, and (ii) the total unpaid principal balance of the Mortgage Loans as of the first Business Day of such calendar month that were subserviced by the Subservicer during such calendar month, excluding those Mortgage Loans which the Subservicer is solely performing Master Servicing functions in this Agreement divided by (y) twelve (12) and (C) with respect to those Mortgage Loans the

Subservicer is performing Master Servicing functions in this Agreement (which may be in addition to amounts described in clause (B)), an amount equal to (x) the product of (i) [***] and (ii) the total scheduled unpaid principal balance of such Mortgage Loans (which the Subservicer is performing Master Servicing functions in this Agreement) as of the first Business Day of such calendar month divided by (y) twelve (12); provided, however, in all cases, the Subservicer shall only be entitled to a pro rata portion of such fees for Mortgage Loans boarded or deboarded during the related month.

Subservicer Termination Event: As defined in Section 5.3(a).

Subservicing: Subject to Applicable Requirements, the servicing functions for the Mortgage Loans under the applicable Servicing Agreement and this Agreement, including, without limitation, the usual servicing operational functions of providing customer statements, accepting and applying customer payments, calculating, holding and applying escrowed amounts, providing customer service, collecting defaulted accounts, performing loss mitigation and any other obligations of the Owner/Servicer under the applicable Servicing Agreements and performing portfolio defense services in accordance with the provisions contained in Exhibit B.

Substitute Vendor: Any Person having all applicable qualifications, licenses and/or requisite approvals to provide similar services under this Agreement which a Vendor is currently performing and, in connection with Subservicer's obligation to reasonably cooperate with a Substitute Vendor that "is reasonably acceptable to Subservicer", the parties hereby agree that it would be "reasonably acceptable" if the Substitute Vendor has been approved, consistent with process set forth in Section 2.3(f).

Successor Transfer Date: As defined in Section 5.4(a).

Superior Lien: With respect to any second lien Mortgage Loan, any other mortgage loan relating to the corresponding Mortgaged Property which creates a lien on the Mortgaged Property which is senior to the lien securing the Mortgage Loan.

Termination Fee: The fee payable by the Owner/Servicer to the Subservicer as provided in Section 5.4(a) and (b) which fee, if any, shall equal the applicable amount set forth in Exhibit C-1 and calculated in accordance with Exhibit C-2, shall not be refundable under any circumstances, and shall not be subject to reduction by way of setoff, recoupment, defense, counterclaim, or otherwise (except as set forth below); provided, however, any Termination Fee paid pursuant to this Agreement with respect to any Mortgage Loans shall be reduced by the payment of any Termination Fee received by Subservicer under any NRZ Servicing/Subservicing Agreement with respect to such Mortgage Loans and in no event shall the aggregated Termination Fee for all NRZ Servicing/Subservicing Agreements exceed the amount set forth on Exhibit C-1.

Termination Party: With respect to any Servicing Agreement, a trustee, master servicer, or any other third party that is not an Affiliate of Owner/Servicer (or induced by Owner/Servicer or any of its Affiliates) with, in each case, the contractual right under such Servicing Agreement to terminate the servicer or subservicer thereunder, or to direct another party to terminate the servicer or subservicer, upon a servicer default, which, in the case of securityholders, means having current and actual ownership of a sufficient percentage of securities to exercise such right.

T&I: Taxes and insurance.

Transfer Agreement: That certain Transfer Agreement dated as of July 23, 2017, among Subservicer, Owner/Servicer, Corporate Parent and New Residential Investment Corp., as may be amended, supplemented or otherwise modified from time to time.

Transfer Date: With respect to any particular Mortgage Loan, the date on which Subservicing of the Mortgage Loan is transferred to the Subservicer and the Subservicer commences Subservicing such Mortgage Loan pursuant to this Agreement, which date shall be (i) the date of the applicable Assignment Agreement (as defined in the Transfer Agreement) or (ii) the date set forth on the related Acknowledgment Agreement, if any, or otherwise the date on which the servicing of such Mortgage Loan is boarded on the Subservicer's servicing system following the identification of such Mortgage Loan pursuant to Section 2.1.

Transfer Procedures: With respect to each Mortgage Loan, the procedures with respect to the transfer of subservicing of such Mortgage Loan to or from the Subservicer as mutually agreed to by the parties and set forth in Exhibit P-1 or Exhibit P-2 hereto, as applicable, as may be amended from time to time as mutually agreed by the parties hereto.

USDA: The United States Department of Agriculture or any successor thereto.

USDA Regulations: The regulations promulgated by the USDA and other USDA issuances relating to mortgage loans guaranteed by the USDA.

VA: The United States Department of Veterans Affairs or any successor thereto.

VA Regulations: The regulations promulgated by the VA pursuant to the Serviceman's Readjustment Act, as amended, codified in Title 38 of the Code of Federal Regulations, and other VA issuances relating to mortgage loans guaranteed by the VA.

Vendor: Any contractor, vendor, real estate broker and/or service provider (which may be an Affiliate of the Owner/Servicer) engaged by the Subservicer and involved in providing services with respect to any Mortgage Loans or Subservicing in accordance with and subject to the terms of this Agreement.

Vendor Oversight Guidance: All applicable requirements and guidelines related to the oversight of third-party contractors, vendors and/or service providers as set forth in Applicable Requirements. For the avoidance of doubt, Vendor Oversight Guidelines includes, but is not limited to, guidance issued by Governmental Authorities from time to time, including but not limited to the following Governmental Authorities: (i) the CFPB (including but not limited to CFPB Bulletin 2016-03), (ii) the Board of Governors of the Federal Reserve System (including but not limited to the "Guidance on Managing Outsourcing Risk" dated December 5, 2013), (iii) the FDIC (including but not limited to FIL-44-2008 ("Guidance for Managing Third-Party Risk")) and (iv) the Office of the Comptroller of the Currency (the "OCC"), including but not limited to OCC Bulletin 2013-29 ("Risk Management Guidance").

ARTICLE II
AGREEMENTS OF THE SUBSERVICER

Section 2.1. General.

(a) The Subservicer hereby agrees to subservice the Mortgage Loans on behalf of the Owner/Servicer pursuant and subject to the terms of this Agreement. Throughout the term of this Agreement, the Subservicer shall (i) maintain and satisfy all applicable eligibility and other requirements as subservicer to the Owner/Servicer to act as servicer (including master, special, primary or subservicer) under the applicable Servicing Agreements, (ii) maintain any required qualifications, licenses or approvals to do business, to service mortgage loans, or to otherwise collect debts or perform any activities relating to mortgage loans in any jurisdiction where the Mortgaged Properties are located, to the extent required under Applicable Requirements, and (iii) preserve and maintain its legal existence. In conjunction with the process set forth in the Transfer Agreement, upon compliance with the terms thereunder (including the execution of the applicable Assignment Agreement (as defined therein), the Servicing Rights related to the Mortgage Loans transferred thereunder shall automatically be deemed to be subject to the terms of this Agreement. In addition to the foregoing, in conjunction with the process set forth in Section 2.16(a) regarding the Subservicer's approval of additional Mortgage Loans through acceptance of an MSRPA, and Section 3.1 regarding the transfers to the Subservicer, at least sixty (60) days (or such shorter period as agreed by the parties) prior to each Transfer Date, the Owner/Servicer shall deliver by electronic transmission to the Subservicer a data tape identifying the Mortgage Loans to be included under this Agreement on such Transfer Date. Upon execution of an Acknowledgment Agreement, such Mortgage Loans acquired through an MSRPA shall thereby be deemed to be subject to the terms of this Agreement unless removed by the Owner/Servicer prior to the Transfer Date. Such Acknowledgment Agreement shall identify the Mortgage Loans to be made subject to this Agreement on such Transfer Date and may further set forth any additional business terms mutually agreed upon by the parties with respect to such Mortgage Loans. For the avoidance of doubt, notwithstanding any provision in this Agreement to the contrary, the Owner/Servicer shall continue to own the Servicing Rights following the related Transfer Date.

(b) With respect to non-Prior Ocwen Serviced Loans, the Subservicer shall cooperate with the Owner/Servicer in connection with obtaining any necessary consents or approvals required for the Subservicer to act as subservicer under the applicable Servicing Agreements, including responding to requests for information regarding the Subservicer by or on behalf of the related Investor and other third parties.

(c) Notwithstanding anything to the contrary, to the extent any documentation, policies, notices, contracts, reporting, and/or related information delivered by Subservicer under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement are explicitly permitted under this Agreement to be combined with (and/or delivered in lieu of) the documentation, policies, notices, contracts, reporting, and/or related information which Subservicer is obligated to deliver to the Owner/Servicer hereunder, such

delivery to the Owner/Servicer of either a combined report or a report in lieu of a report to be delivered hereunder shall, in any case, (i) be substantially similar in form and substance to the related documentation, (ii) applicable to the Mortgage Loans or the Subservicer's servicing platform, and (iii) related to the policies, notices, contracts, reporting and/or information which Subservicer is obligated to deliver to the Owner/Servicer hereunder.

(d) Notwithstanding any provision in this Agreement to the contrary, the parties acknowledge that all of the Mortgage Loans that become subject to this Agreement are serviced or subserviced by the Subservicer immediately preceding the Transfer Date (each, a "Prior Ocwen Serviced Loan") and that no physical transfer of servicing shall be required with respect to such Prior Ocwen Serviced Loan except as may be necessary to reflect the Owner/Servicer's ownership of the Servicing Rights and any related requirements under Applicable Requirements. For such Prior Ocwen Serviced Loans, the parties' respective obligations and liabilities with respect to the Prior Ocwen Serviced Loans relating to matters occurring during the period of time prior to the applicable Transfer Date shall be as set forth in the Transfer Agreement.

(e) Upon the Owner/Servicer's request, the Subservicer shall reasonably cooperate with the Owner/Servicer and any backup servicer designated by the Owner/Servicer, including, but not limited to, working and coordinating with such backup servicer's personnel to provide applicable mapping system fields, data checks, conversion routines and such other assistance to enable such backup servicer to receive readable data from the Subservicer on a periodic basis, provided, however, that, any such back-up servicer shall be approved by the Seller pursuant to Section 2.3(f) and to the extent a backup servicer has been engaged by an NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Owner/Servicer may not designate a different backup servicer hereunder. On a monthly basis, at no additional charge (unless requested more frequently than monthly), Subservicer shall provide to Owner/Servicer and to any backup servicer designated by the Owner/Servicer the information, in readable form, set forth in Schedule 2.1(e) with respect to the Mortgage Loans subserviced hereunder. In addition, the Subservicer shall provide information and data regarding the Mortgage Loans and Servicing Rights to the designated backup servicer as required by such backup servicer, including but not limited to contacts for Vendors and Default Firms performing services on the Mortgage Loans, images of Mortgage Servicing Files in Subservicer's possession or control, and reports identifying the party in possession of the Mortgage Loan Documents from the Custodian. Except with respect to the monthly data transmission described above, the Owner/Servicer shall reimburse the Subservicer for its out-of-pocket costs and expenses or its internally allocated costs and expenses, as applicable, incurred by the Subservicer in connection with its cooperation with such backup servicer in accordance with the process set forth in Section 2.3(d) of this Agreement. The Subservicer's obligation to provide any information to a back-up servicer shall only arise following the backup servicer and Subservicer entering into a customary, mutually agreeable non-disclosure agreement which will limit such back-up servicer's use of information provided by or on behalf of Subservicer to the purpose of providing such back-up services.

(f) The Subservicer shall provide portfolio defense services relating to the Mortgage Loans as set forth on Exhibit B attached hereto, as may be amended from time to time upon mutual agreement of the parties pursuant to Section 2.3.

(g) For any New Mortgage Loans, the Subservicer shall subservice each such New Mortgage Loan pursuant to the NRM Agency Subservicing Agreement.

(h) Notwithstanding anything set forth in this Agreement to the contrary, with respect to the Servicing Rights for which Owner/Servicer is acting as Master Servicer, (i) the Owner/Servicer hereby appoints the Subservicer as its agent to be the REMIC administrator for each Servicing Agreement which requires the Master Servicer under such Servicing Agreement to perform the duties of the REMIC administrator therein and the Subservicer shall perform such obligations of the REMIC administrator in accordance with the terms of (1) the Agreement (unless expressly set forth in Exhibit R) and (2) the applicable Servicing Agreement and (ii), the Subservicer shall not have the obligations specifically excluded under the addendum set forth in Exhibit R (the "Master Servicing Addendum") attached hereto; provided that such exclusions shall only apply to the Subservicer's performance of the Master Servicer's obligations of the Subservicer and not to any primary or subservicing obligations relating to the same Mortgage Loans with respect to the Subservicer acting as SBO Servicer.

Section 2.2. Subservicer to Service in Compliance with Applicable Requirements.

(a) The Subservicer, as an independent contractor, shall service and administer each Mortgage Loan and REO Property in compliance with all Applicable Requirements and, subject to the terms and provisions of this Agreement, the Subservicer shall have full power and authority, acting alone, to do any and all things in connection with such servicing and administration which the Subservicer may deem necessary or desirable in connection with the performance of its obligations under this Agreement. Subject to the terms of this Agreement, the Owner/Servicer shall not itself attempt to perform the duties and activities of the Subservicer hereunder, and Owner/Servicer shall refer to Subservicer any Mortgagor inquiries or correspondence, payments or payoff funds, or similar matters within the Subservicer's responsibilities hereunder that Owner/Servicer may receive; *provided* that Subservicer and Owner/Servicer have had prior discussion related to such failure to perform and so long as Owner/Servicer has given Subservicer one (1) Business Day prior written notice of its intent to so perform, the Owner/Servicer may perform any non-borrower facing activity required under a Servicing Agreement that the Subservicer fails to perform in accordance with such applicable Servicing Agreement which would reasonably be expected to result in a material Loss to Owner/Servicer, including but not limited to an event of default or other termination event under the applicable Servicing Agreement. Where Applicable Requirements appear to be in conflict, the Subservicer shall notify the Owner/Servicer of such conflict, and the parties shall address such conflict in accordance with the procedures set forth in Section 2.3(c). Until the principal and interest of each Mortgage Loan is paid in full, unless this Agreement is sooner terminated pursuant to the terms hereof, and subject to this Section 2.2(a), the Subservicer shall:

(i) Collect, accept and apply payments of Custodial Funds and Escrow Payments only in accordance with the Mortgage Loan and Applicable Requirements.

Deficiencies or excesses in payments shall be accepted and applied, or accepted and not applied, or rejected in a manner consistent with the Subservicer's payment hierarchy and payment application rules and in accordance with Applicable Requirements;

(ii) Maintain permanent mortgage account records capable of producing, in chronological order: the date, amount, distribution, installment due date, or other transactions affecting the amounts due from or to the Mortgagor and indicating the latest outstanding balances of principal, escrow accounts, advances, and unapplied payments;

(iii) Make interest rate adjustments in compliance with Applicable Requirements and the Mortgage Loan Documents to reflect the movements of the applicable Mortgage Loan rate index. The Subservicer shall deliver to the Mortgagors all appropriate notices required by Applicable Requirements and the applicable Mortgage Loan Documents regarding such interest rate adjustments including, without limitation, timely notification to the Investor if required of (i) the applicable date and information regarding such interest rate adjustment, (ii) the methods of implementation of such interest rate adjustments, (iii) new schedules of Investor's share of collections of principal and interest, and (iv) all prepayments of any Mortgage Loan hereunder by Mortgagor. The Subservicer shall be responsible for any liabilities under the applicable Servicing Agreement resulting from the failure to properly and timely make interest rate adjustments on the related Mortgage Loans;

(iv) Pay interest on Escrow Accounts if any Applicable Requirement requires the payment of interest on such amounts. Such interest amounts paid by the Subservicer shall be reimbursed by the Owner/Servicer and included as part of the Subservicer Economics payable to the Subservicer. As applicable, the Subservicer will determine the amount of Escrow Payments to be made by Mortgagors and will furnish to each Mortgagor, at least once a year, an analysis of each Mortgagor's Escrow Account in accordance with Applicable Requirements;

(v) Maintain accurate records reflecting the status of taxes, ground rents, and other recurring similar charges generally accepted by the mortgage servicing industry, which would become a lien on the Mortgaged Property. For all Mortgage Loans providing for the payment to and collection by the Subservicer of Escrow Payments for taxes, ground rents, or such other recurring charges, the Subservicer shall remit payments for such charges before any penalty date. The Subservicer assumes responsibility for the timely remittance of all such payments and will hold harmless and indemnify the Owner/Servicer and the applicable Investor from any and all Losses resulting from the Subservicer's failure to discharge said responsibility subsequent to the Transfer Date of the particular Mortgage Loan by the Subservicer; provided, however, that Subservicer shall not be obligated to indemnify any Investor for any Losses other than as expressly set forth in the applicable Servicing Agreement. The Subservicer shall promptly notify the Owner/Servicer if it becomes

aware of any missing or erroneous information with respect to the Mortgage Loans that is preventing or impeding the Subservicer from timely meeting tax or other payments obligations with respect to the Mortgage Loans or from otherwise meeting the Subservicer's obligations under this Agreement. Within thirty (30) days of each Transfer Date, the Subservicer shall notify the Owner/Servicer in writing identifying the related Mortgage Loans for which assignable life-of-loan tax service or life of loan flood service contracts have not been provided to the Subservicer in connection with the servicing transfer;

(vi) For all Mortgage Loans for which no provision has been made for the payment to and collection by the Subservicer of Escrow Payments, the Subservicer shall use commercially reasonable efforts to determine whether any such payments are made by the Mortgagor in a manner and at a time that avoids the loss of the Mortgaged Property due to a tax sale or the foreclosure of a tax lien and otherwise satisfies Applicable Requirements. The Subservicer shall make Servicing Advances to effect such payments and shall seek reimbursement of such Servicing Advances on the Owner/Servicer's behalf from the Mortgagor, Insurer or Investor in accordance with the applicable Mortgage Loan Documents or otherwise as permitted by Applicable Requirements. The Owner/Servicer shall reimburse the Subservicer for such Servicing Advances in accordance with Section 2.13 hereof;

(vii) When a Mortgagor's Escrow Payments are insufficient to pay taxes, assessments, mortgage insurance premiums, hazard or flood insurance premiums, or other items due therefrom, pay such amounts as a Servicing Advance and seek reimbursement from the Mortgagor or Investor. The Owner/Servicer shall reimburse the Subservicer for all outstanding deficiencies, and any other Servicing Advances made by the Subservicer to protect the security of the Investor, in accordance with Section 2.13 hereof;

(viii) Unless otherwise directed by the Owner/Servicer, maintain any optional insurance in effect on the Transfer Date;

(ix) With respect to Mortgage Loans covered by PMI policies, the Subservicer shall comply with all requirements of the applicable PMI Companies, including requirements concerning the giving of notices and submitting of claims required to be given or submitted pursuant to Applicable Requirements. In connection with any assumption or substitution agreement entered into or to be entered as permitted under Applicable Requirements, the Subservicer shall promptly notify the related PMI Company, if any, of such assumption or substitution of liability in accordance with the terms of the PMI policy. The Subservicer shall provide to the Owner/Servicer a monthly report as set forth in Exhibit E regarding notices of rescission of PMI policies, it being understood that Subservicer may deliver a single report to any NRZ O/S Entity covering all such notices applicable to the Mortgage Loans being subserviced under any NRZ Servicing/Subservicing Agreement, the

NRM Agency Subservicing Agreement and the Mortgage Loans being serviced hereunder and such delivery shall be deemed to constitute delivery hereunder;

(x) Ensure that improvements on a Mortgaged Property and REO Property are insured by a hazard insurance policy, pursuant to Applicable Requirements, and, if required by Applicable Requirements, a flood insurance policy, in each case meeting the requirements under the applicable Servicing Agreement. The Subservicer may use, at no expense to Owner/Servicer, a blanket policy insuring against fire and hazard losses on Mortgage Loans to the extent permitted and in accordance with the requirements under the applicable Servicing Agreement, [***];

(xi) Administer the release of any insurance proceeds or condemnation proceeds received with respect to the Mortgaged Property to the Mortgagor to be applied to the restoration or repair of the Mortgaged Property to the extent such release is consistent with Applicable Requirements. The Subservicer shall comply with Applicable Requirements and, unless inconsistent with Applicable Requirements, release insurance proceeds or condemnation proceeds in a manner consistent with the Servicing Procedures;

(xii) Subject to Section 2.3, comply with any and all procedures outlined in any applicable Servicing Agreement and any applicable guidelines promulgated by a Governmental Authority, which procedures shall control in the event of any conflict with the terms of this Agreement;

(xiii) In accordance with Applicable Requirements, report Mortgagor payment history to consumer reporting agencies with respect to the period following the related Transfer Date;

(xiv) With respect to any MERS Mortgage Loan, update all required MERS fields, with the cooperation of the Owner/Servicer, as necessary and comply with all applicable requirements of MERS; it being understood and agreed that following the initial update on or after the applicable Transfer Date any further update shall be an Owner/Servicer Expense;

(xv) If a REMIC election has been made with respect to the Mortgage Loans relating to any Investor, comply with the REMIC Provisions and all relevant provisions under the applicable Servicing Agreement;

(xvi) Upon payment of a Mortgage Loan in full, and subject to Section 3.2 hereof, prepare and file any necessary release or satisfaction documents, continue Subservicing the Mortgage Loan pending final settlement, and refund amounts due the Mortgagor in accordance with Applicable Requirements; and

(xvii) Maintain the Mortgage Servicing Files and the Mortgage Loan Documents in its possession pursuant to Applicable Requirements and maintain a record of its handling of such documents and files. Any Mortgage Loan Documents

that are in the possession of the Subservicer shall be held in secure and fireproof facilities or storage areas in accordance with customary standards for the custody of similar documents and Applicable Requirements. The Subservicer shall allow the Owner/Servicer, its Affiliates and its agents to conduct such audits, from time to time, to confirm the Subservicer's recordkeeping, storage and security practices with respect to such files and documents, it being understood that Owner/Servicer and its Affiliates shall coordinate with each other with respect to such audits and any such audits conducted under this Agreement, the NRM Agency Subservicing Agreement and the NRZ Servicing/Subservicing Agreements. The Subservicer shall only release Mortgage Servicing Files and Mortgage Loan Documents in its possession pursuant to this Agreement and Applicable Requirements. Notwithstanding the foregoing sentence, in connection with an examination or any request by any Investor or Governmental Authority, the Subservicer shall use all commercially reasonable efforts to release any requested Mortgage Servicing Files and/or Mortgage Loan Documents in its possession pursuant to this Agreement and Applicable Requirements and shall deliver any such documents within the time frame set forth by such Investor or Governmental Authority. Any documents or files that are released by the Subservicer shall be properly tracked and pursued to the extent such documents or files are not returned to the Subservicer or to the Custodian. The Subservicer shall provide the Owner/Servicer with information related to documents or files that have been released by the Subservicer promptly upon request. The Subservicer shall cooperate in good faith with the Owner/Servicer in connection with clearing any document exceptions with respect to such releases, consistent with Applicable Requirements.

(b) With respect to Mortgage Loans and/or REO Properties for which the Owner/Servicer is the sole Investor, the Subservicer shall service such Mortgage Loans and REO Properties in accordance with the terms of the applicable Servicing Agreement with respect to which such Mortgage Loans were previously serviced; provided, however, that (i) the Subservicer shall, on each Business Day remit to the Owner/Servicer all collections received by the Subservicer two (2) Business Days prior to such Business Day, on an "actual/actual" basis, (ii) the parties may agree in writing to provide for servicing provisions different from the terms of the applicable Servicing Agreement, pursuant to the process set forth in Section 2.3.

(c) To the extent any servicing provision in this Agreement is inconsistent with the applicable Servicing Agreement, the Subservicer shall promptly, upon obtaining knowledge of a specific event, occurrence or condition leading Subservicer to make such determination, notify the Owner/Servicer of such inconsistency and address such inconsistency in accordance with the procedures set forth in Section 2.3(c).

(d) Where applicable, the Subservicer will comply with the National Housing Act, as amended, and with the Servicemembers Civil Relief Act of 2003, as amended, and with all rules and regulations issued under each of those statutes.

(e) The Subservicer shall maintain its current internal quality control program that reviews, on a regular basis, its compliance with and conformity to all Applicable Requirements (including all applicable regulations, rules, directives and published guidance of the CFPB, as such may be amended, modified or supplemented from time to time) to which the Subservicer and the Corporate Parent is subject. The quality control program shall include (i) evaluating and monitoring the overall quality of the Subservicer's loan servicing and origination activities, including collection call programs, in accordance with industry standards and this Agreement and (ii) tests of business process controls and loan level samples. Subject to Section 10.17, the Subservicer shall provide to the Owner/Servicer reports related to such quality control program as set forth on Exhibit Q. The Subservicer shall provide the Owner/Servicer with a copy of its quality control program on or prior to the Effective Date, and shall provide or make available the quality control program in accordance with Exhibit Q. The Subservicer shall provide the Owner/Servicer with notice of any material modifications to the quality control program as promptly as possible and in any event not later than within one calendar month following the implementation of such material modification. In the event of a material modification to the quality control program, the Owner/Servicer shall have the option to perform a due diligence review of the revised quality control program on reasonable notice to the Subservicer and the Subservicer shall cooperate with due diligence requests from the Owner/Servicer. The Owner/Servicer and Subservicer agree that any report or notices delivered to any NRZ O/S Entity pursuant to Section 2.2(e) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been delivered hereunder.

Section 2.3. Procedures, Owner/Servicer Change Requests and Servicing Cost Increase

(a) The Subservicer shall maintain Servicing Procedures that are consistent with and satisfy Applicable Requirements. The Subservicer shall provide such Servicing Procedures, including with respect to its charge-off policy, at the timing set forth in Exhibit E-1 and in the format set forth on Exhibit Q, and Owner/Servicer acknowledges that the Servicing Procedures constitute Subservicer's confidential and proprietary information.

(b) Except with respect to non-significant changes as mutually agreed upon by the parties, if, following the date of this Agreement, Owner/Servicer shall propose to modify (i) the Servicing Procedures ("SP Modifications"), the Advance Policy ("AP Modifications"), (ii) reports, or (iii) otherwise alter, amend or supplement the servicing activities or if Owner/Servicer becomes subject to such judicial or administrative judgment, order, stipulation, directive, consent decree, award, writ or injunction after the date of this Agreement that would modify the servicing or Subservicing of the Mortgage Loans hereunder (any such modification being herein referred to as a "Change Request"), the Owner/Servicer shall provide written notice of each such proposed Change Request to the Subservicer by providing (i) a specimen of each procedure proposed to be amended, supplemented or introduced, in the form in which it is proposed to be amended, supplemented or introduced; and/or (ii) a written description of each proposed amendment, supplement or other alteration to the Servicing Procedures, which description shall in each case be

sufficiently clear, comprehensive and detailed to provide a reasonable basis for the Subservicer to adequately assess the Change Request.

(c) [***]

(d) To the extent such Change Requests or Subservicer's compliance with Section 2.1(e), would result in the Subservicer incurring any additional out-of-pocket costs or expenses or internally allocated costs or expenses, which collectively are in excess of $[***] in connection with the implementation of such changes (and measured together with any similar Change Request delivered by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement), the Subservicer shall provide the Owner/Servicer with a good faith estimate regarding the costs and expenses needed to implement the contemplated work on the Owner/Servicer's behalf and reasonable supporting documentation. If such work will involve third party costs or expenses, the Subservicer shall follow Owner/Servicer's reasonable instructions regarding the retention of such third party providers, including the terms of such retention, related requests for proposals, seeking fixed prices or caps or similar arrangements and establishing time commitments from such third parties. Any such estimate shall also include the anticipated time frame for implementation of such work. Such estimate shall also include the ongoing incremental expense of performing the work in a modified manner as described in the Change Request. If the Owner/Servicer consents to the Subservicer performing such work on its behalf, the parties will enter into a mutually acceptable agreement for implementation of such work (such agreement, a "Statement of Work"), which shall be performed by the Subservicer on a commercially-reasonable, best-efforts basis. Upon the due execution by both parties, the Statement of Work shall constitute an amendment to this Agreement without further action on the part of either party. The Subservicer shall perform the services set forth in the Statement of Work in the manner provided therein, and the Owner/Servicer shall pay for any agreed upon cost, if any, of the implementation and any additional services resulting therefrom, in each case in accordance with the terms of the Statement of Work and this Agreement in accordance with the process set forth in Section 2.3(d) of this Agreement. If the actual internally allocated costs and expenses are greater than the estimated amount, (i) the Owner/Servicer shall not be liable for any amounts in excess of such invoiced amount and (ii) the Subservicer shall perform all such contemplated work within the agreed upon timeframe. Subject to Owner/Servicer's approval of the terms of retention of the applicable third parties in accordance with this Section 2.3(d), if the actual out-of-pocket costs and expenses are greater than the estimated amount, the Owner/Servicer shall reimburse the Subservicer for all such amounts. Subservicer shall regularly communicate with Owner/Servicer regarding the status of performance of any Statement of Work hereunder, including with respect to any actual or expected delays or cost overruns. Owner/Servicer agrees that to the extent any NRZ O/S Entity and Subservicer are contemplating or implementing a similar Change Request under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Owner/Servicer shall coordinate with such NRZ O/S Entity on a single set of estimates, instructions, reporting, processes and Statements of Work. For the avoidance of doubt, the parties understand and agree that a Statement of Work shall not be required to implement (i) the services already enumerated or contemplated under this

Agreement (other than the services contemplated by this Section 2.3 or any other services or activities in this Agreement that are expressly subject to the Statement of Work process set forth in this Section 2.3) or (ii) other services or projects previously commenced by the Subservicer on behalf of the Owner/Servicer.

(e) If any legal, regulatory or governmental policy enactment, amendment, reform or similar matter or matters applicable to non-bank servicers generally, individually or in the aggregate, have or are reasonably expected to have, caused an increase or decrease in the Subservicer's cost to service the Mortgage Loans by more than [***], then the Subservicer or the Owner/Servicer, respectively, may give written notice ("Change Notice") to the other party of such changed matter or matters. In the event of such Change Notice, the parties agree to review and discuss in good faith the Subservicer Economics and any other fees paid by Owner/Servicer, the performance standards and/or the services to be performed under this Agreement in order to reflect such change in Subservicer's cost to deliver the services under this Agreement in compliance with, or to otherwise address any effect on the economics of the transaction from, any such event or occurrence described above.

(f) *Approval Process*. Any Approved Party, Substitute Vendor, backup servicer [***] shall be subjected to Subservicer's usual and customary vendor onboarding process (consistent with its practices prior to the Original Closing Date or improvements that Subservicer makes to such process on a platform-wide basis). Following such onboarding process, if Subservicer identifies that such Person has material deficiencies or would be reasonably likely to violate Applicable Requirements, in each case consistent with Subservicer's practices prior to the Original Closing Date or improvements that Subservicer makes to such process on a platform-wide basis, Subservicer shall notify Owner/Servicer in writing and shall provide the basis for determining that such Person has material deficiencies and/or would be reasonably likely to violate Applicable Requirements. [***]

(g) In addition to the Owner/Servicer's indemnification obligations set forth in Section 8.3, the Owner/Servicer shall indemnify and hold the Subservicer harmless against any and all Losses resulting from or arising out of [***]. For purposes of this Section 2.3(g), a "Directed Provider" shall be any Approved Party, Substitute Vendor, backup servicer [***] proposed by the Owner/Servicer in accordance with the terms of this Agreement and onboarded in accordance with and subject to Section 2.3(f). For the avoidance of doubt, Subservicer's interaction and/or cooperation with any Directed Provider shall not constitute an endorsement, evaluation or view of or by the Subservicer as to whether any agreement between Owner/Servicer and any Directed Provider complies with Applicable Requirements.

Section 2.4. Engagement of Contractors.

At any time prior to the date New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing is terminated as Owner/Servicer:

(a) Exhibit I-1 will set forth the following lists (in a format reasonably acceptable to the Owner/Servicer): (i) Vendors (excluding Off-shore Vendors) that the Subservicer engages to perform under this Agreement and to which the Subservicer has assigned a tier 1 or tier 2 risk tier rating, a summary of the related activities performed by each such Vendor and the applicable risk tier the Subservicer has assigned such Vendor, (ii) Off-shore Vendors that the Subservicer engages to perform under this Agreement to which the Subservicer has assigned a tier 1 or tier 2 risk tier rating, a summary of the related activities performed by each such Off-shore Vendor and the applicable risk tier the Subservicer has assigned such Off-shore Vendor, and (iii) Default Firms engaged by the Subservicer for foreclosures and bankruptcies only (collectively, the "Critical Vendors"), in each case, to the extent such Critical Vendor is performing any activity relevant to any Mortgage Loan. All Default Firms shall be deemed to have a tier 1 risk tier rating for purposes of this Agreement.

(b) From time to time, the Subservicer may engage other Vendors in addition to those appearing on Exhibit I-1 to provide services to the Subservicer that are related to the Mortgage Loans. The Subservicer shall not engage any Vendors or Default Firms to provide services with respect to any Mortgage Loan if such Vendor or Default Firm is on any of the (i) Freddie Mac Exclusionary List, (ii) Specifically Designated Nationals and Blocked Persons List published by OFAC, (iii) Suspended Counterparty Program list published by FHFA, or (iv) Subservicer's internal exclusionary list, and shall promptly (x) notify Owner/Servicer if any such Vendor or Default Firm becomes subject to any such exclusionary list, and (y) replace any such Vendor or Default Firm. In the event any such additional Critical Vendor is identified by the Owner/Servicer as having been deficient in the reasonable judgment of the Owner/Servicer, the Owner/Servicer shall notify the Subservicer with its concerns of such Critical Vendor. The Subservicer shall notify the Owner/Servicer of additional Critical Vendors at the timing set forth in Exhibit E-1. The Subservicer shall promptly respond to the Owner/Servicer and the parties hereto shall cooperate in good faith to resolve the Owner/Servicer's concerns and/or findings relating to Critical Vendors, including but not limited to determining if such deficiencies can be corrected or to replace Critical Vendors, as applicable, with another Vendor or Default Firm, as applicable, mutually acceptable to the parties and in accordance with Applicable Requirements. In addition, the Subservicer shall promptly notify the Owner/Servicer of any material deficiencies with respect to any Vendor and/or Default Firm used by the Subservicer with respect to any Mortgage Loan. To the extent that the same Vendor or Default Firm is being utilized under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Owner/Servicer will coordinate with the related NRZ O/S Entity regarding all inquiries, notices and determinations with respect to such Vendor or Default Firm.

(c) With respect to any Vendor that performs any Mortgagor-facing activity, Owner/Servicer-facing activity and/or Investor-facing activity, the Subservicer shall routinely, in accordance with Applicable Requirements, (i) examine and audit the books, records, and/or other information of any such Vendor and (ii) monitor the activities of such Vendor (including but not limited to reviewing call transcripts and listening to audio-recordings of calls to Mortgagors). The Subservicer shall promptly deliver to the Owner/Servicer at least ninety (90) calendar days (or if a shorter period of time is necessary for

Subservicer's ongoing business continuity purposes, not later than the date the potential vendor enters into Subservicer's input process) advance written notice of any Off-shore Vendors that the Subservicer intends to cause to perform any Mortgagor-facing activity, Owner/Servicer-facing activity and/or Investor-facing activity, it being understood that Subservicer may combine such notice with any similar notice(s) delivered to any NRZ O/S Entity in connection with the utilization of such Off-shore Vendors in connection with the related NRZ Servicing/Subservicing Agreement(s) or the NRM Agency Subservicing Agreement.

(d) All foreclosure attorneys, bankruptcy attorneys and eviction attorneys (collectively, " Default Firms") and all Vendors to be used in connection with the servicing and administration of the Mortgage Loans and REO Properties shall (i) be engaged in accordance with Applicable Requirements and (ii) have any and all qualifications, licenses and/or approvals necessary to perform their respective services in this Agreement in accordance with Applicable Requirements. The Subservicer shall (x) review on at least an annual basis that each Default Firm providing foreclosure or bankruptcy services that its attorneys are licensed to practice in the relevant jurisdiction and are in good standing in the relevant jurisdictions and bars, (y) provide an annual certification to the Owner/Servicer to the matters in clause (x) of this Section 2.4(d) (by the Subservicer or each Default Firm) and shall state each Default Firm meets Agency requirements and Applicable Requirements, and (z) provide the Owner/Servicer with copies of such evidence available to the Subservicer upon reasonable request of the Owner/Servicer, it being understood that any certifications or other materials provided by Subservicer to an NRZ O/S Entity pursuant to Section 2.4(d) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been delivered to Owner/Servicer hereunder. Within thirty (30) days of the Effective Date, the Subservicer shall (i) provide a report to the Owner/Servicer identifying any Default Firm which received an "objection" or other similar classification from any Agency to the extent the Subservicer submitted such Default Firm to an Agency for servicing Agency loans in the Subservicer's servicing portfolio, it being understood that to the extent such report have been made available to any NRZ O/S Entity pursuant to Section 2.4(d) of the any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reports shall be deemed to have been made available hereunder and (ii) shall cooperate with Owner/Servicer to evaluate what steps, if any, should be taken as a result of such objection.

(e) Other than with respect to any Vendors performing REO Disposition Services, (i) the Subservicer shall cause any Vendors, Off-shore Vendors and/or Default Firms hired by the Subservicer to perform its duties and service the Mortgage Loans in compliance with Applicable Requirements and (ii) the use of any Vendor, Off-shore Vendor or Default Firm by the Subservicer shall not relieve the Subservicer of its obligations under this Agreement or any related remedies under this Agreement. Any such Vendor, Off-shore Vendor, and/or Default Firms engaged by the Subservicer shall be engaged on a commercially reasonable, arm's length basis and at competitive rates of compensation consistent with Applicable Requirements.

(f) The Subservicer shall oversee all Vendors, Off-shore Vendors and Default Firms in accordance with the Vendor Oversight Guidance and its third-party management policy, and require that all Vendors, Off-shore Vendors and Default Firms on the Vendor List maintain and provide policies and procedures applicable to the services provided in a manner consistent with all Applicable Requirements, the Vendor Oversight Guidance and the servicing standards under this Agreement. Solely as it relates to a violation or non-compliance with Applicable Requirements by a Vendor that materially and adversely affects any Mortgage Loan or the related Servicing Rights, within twenty-one (21) Business Days of confirmation of the violation or non-compliance with Applicable Requirements, (i) the Subservicer shall provide to the Owner/Servicer notice of such violations or such non-compliance with Applicable Requirements of which the Subservicer has knowledge by any Vendor, Off-shore Vendor and/or Default Firm under the Vendor Oversight Guidance, the Subservicer's third-party management policy and/or Applicable Requirements, (ii) the Subservicer agrees to cooperate with the Owner/Servicer to remedy such non-compliance and to maintain regular communication with the Owner/Servicer regarding the progress of any remediation efforts, (iii) the Subservicer shall provide to the Owner/Servicer a summary and action-plan by the Subservicer detailing how such violation(s) or non-compliance will be remediated, (iv) to the extent permitted under the applicable Vendor contract or consented to by such Vendor, the Owner/Servicer may directly participate in cooperation with the Subservicer in any of the material activities described in this paragraph, and (v) the Subservicer shall provide to the Owner/Servicer, if applicable, a request in writing for an extension of the twenty-one (21) Business Day period. To the extent that any violation or non-compliance with Applicable Requirements by a Vendor relates to any Mortgage Loans being subserviced under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, all notices by Subservicer, and all cooperation efforts, summaries, action plans and permitted extensions shall be done in coordination with such NRZ O/S Entity and those activities contemplated in Section 2.4(f) of such NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. The Subservicer shall provide the Owner/Servicer with the Subservicer's then current third-party management policy or policies at the timing set forth in Exhibit E-1 in an acceptable searchable electronic format that allows for comparison of the current policies against the policies from the prior period and shall provide the Owner/Servicer with immediate written notice following the implementation of a material change to any such policy or policies, it being understood that to the extent Subservicer provides such policies to any NRZ O/S Entity pursuant to Section 2.4(f) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such policies shall be deemed to have been delivered hereunder.

(g) The Subservicer shall conduct periodic reviews of the Vendors, Off-shore Vendors and Default Firms that the Subservicer engages to perform under this Agreement in accordance with its third-party management policy and Vendor Oversight Guidance to confirm compliance, timeliness and completeness with respect to the terms of this Agreement and Applicable Requirements and that the Vendors, Off-shore Vendors and Default Firms are not subject to litigation or other enforcement actions that could have a material effect on such Vendor's, Off-shore Vendor's and/or Default Firm's financial viability or reputation.

At the timing set forth in Exhibit E-1, the Subservicer shall provide to the Owner/Servicer the results of all periodic reviews concluded by or on behalf of the Subservicer during the prior three (3) month period for any Critical Vendor in a manner consistent with Exhibit Q, which shall be in the form of performance scorecards, risk rating and risk-tier assignment system, in each case, in a format reasonably acceptable to the Owner/Servicer. During each such quarterly update, the Subservicer shall notify the Owner/Servicer of any changes to the Subservicer's scorecard, risk-rating, or risk-tiering methodology, to the extent such information is available or obtainable for each Vendor, Off-shore Vendor and Default Firm. To the extent that Subservicer provides such quarterly reviews or notices to any NRZ O/S Entity pursuant to Section 2.4(g) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reviews and notices shall be deemed to have been delivered hereunder.

(h) In accordance with the terms and conditions of the Subservicer's agreement with the applicable Vendor, Off-shore Vendor and/or Default Firm, the Subservicer shall satisfy in a timely manner its financial obligations to the Vendors, Off-shore Vendors and Default Firms providing services with respect to this Agreement. The Subservicer shall maintain appropriate controls to ensure that (i) compensation paid to the Vendors, Off-shore Vendors and Default Firms on the Vendor List providing foreclosure services with respect to the Mortgage Loans is based on a method that is consistent with Applicable Requirements and considers the accuracy, completeness and legal compliance of foreclosure filings and (ii) that such services are provided only as frequently as reasonably necessary in light of the circumstances, and, in the case of both (i) and (ii) above, is not based solely on increased foreclosure volume or meeting processing timelines.

(i) The Subservicer shall maintain a third-party risk management program to monitor the Vendors, Off-shore Vendors and Default Firms. This program will include evaluating Default Firms used by the Subservicer for compliance with Applicable Requirements, including verification of all documents filed or otherwise utilized by such firms in any foreclosure or bankruptcy proceeding or other foreclosure-related litigation and that all compensation arrangements with such Default Firms are consistent with this Agreement and Applicable Requirements.

(j) Subject to Section 10.17, if reasonably necessary for the Owner/Servicer to comply with the requirements of any Governmental Authority that exercises authority over the Owner/Servicer, the Subservicer shall, at the request of the Owner/Servicer, make available to the Owner/Servicer copies of any contracts electronically through an electronic portal, ftp site, or otherwise, by or with any Vendors, Off-shore Vendors and/or Default Firms on the Vendor List and any reports, audits, evaluations, reviews or assessments with respect to such contractors, it being understood that to the extent such contracts have been made available to any NRZ O/S Entity pursuant to Section 2.4(j) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such contracts shall be deemed to have been made available hereunder. Subject to Section 10.17, in the event the Subservicer is not able to make available copies contracts, reports, evaluations, reviews or assessments with respect to any Vendors, Off-shore Vendors or Default Firms that are

required to be made available to the Owner/Servicer under this Section 2.4 or are otherwise reasonably requested by the Owner/Servicer in order for it to comply with Applicable Requirements because such materials are subject to confidentiality or other non-disclosure restrictions that would prevent disclosing such materials, (i) the Subservicer shall make reasonable efforts to obtain consent to disclosure from the related Vendors, Off-shore Vendors or Default Firms, with the understanding that pricing or other confidential business terms may be redacted and (ii) the Subservicer shall provide the Owner/Servicer with such relevant information or summaries with respect to the related matter that would not be prohibited.

(k) Upon Owner/Servicer's request, to the extent Substitute Vendor is reasonably acceptable to Subservicer, the Subservicer shall reasonably cooperate with Substitute Vendor as contractually engaged by Owner/Servicer [***].

(l) [***]

Section 2.5. Establishment and Maintenance of Custodial and Escrow Accounts.

(a) Pending disbursement, the Subservicer shall segregate and deposit Custodial Funds and Escrow Payments collected in one or more Custodial Accounts or Escrow Accounts, as applicable. The Subservicer at the direction of the Owner/Servicer, or the Owner/Servicer itself, shall establish such Custodial Accounts and Escrow Accounts at a Qualified Depository provided that in each case, such accounts shall be owned by the Owner/Servicer. Such Custodial Accounts and Escrow Accounts shall be established for each Investor in such manner as to show the custodial nature thereof, and so that each Investor and each separate Mortgagor whose funds have been deposited into such account or accounts will be individually insured under the rules of the FDIC. The Subservicer's records shall show the respective interest of each Investor and each Mortgagor in all such Custodial Accounts and Escrow Accounts. All Custodial Accounts and Escrow Accounts shall be maintained at the applicable insured financial institution in the name of Owner/Servicer as "trustee" for the Owner/Servicer and/or Investors and/or Mortgagors, with reference to the Subservicer as servicer for Owner/Servicer, except as may otherwise be required by Applicable Requirements. To the extent any Custodial Accounts and/or Escrow Accounts are prohibited (or otherwise not permitted) by Applicable Requirements to be in the name of Owner/Servicer, the Subservicer shall identify such accounts to the Owner/Servicer (i) on or before the date hereof and (ii) from time to time following the request of the Owner/Servicer.

(b) Amounts on deposit in the Custodial Accounts may at the option of the Owner/Servicer be invested in accordance with Applicable Requirements. Any such investment shall mature no later than one day prior to the Remittance Date in each month; provided, however, that if such investment is an obligation of a Qualified Depository that maintains the Custodial Account, then such investment must mature on the related Remittance Date. Any losses incurred in respect of any such investment shall be deposited in the Custodial Account, by the Owner/Servicer out of its own funds prior to the subsequent Remittance Date.

(c) The Owner/Servicer shall not withdraw any funds from the Custodial Accounts or Escrow Accounts except to pay itself any Float Benefit pursuant to Section 4.1.

(d) All suspense, clearing and disbursement accounts in which funds relating to the Mortgage Loans and REO Properties are deposited shall be established and owned by the Subservicer with a Qualified Depository, in a manner which shall provide maximum available insurance thereunder.

(e) The Subservicer shall have full access rights to the Custodial Accounts and Escrow Accounts for the purposes of performing its duties as described in this Agreement. Owner/Servicer shall ensure that Subservicer is provided with on-line access to the Custodial Accounts and Escrow Accounts and bank statements, subject to the terms of the account agreement with the applicable bank that may permit such bank to suspend or cease to provide such access; provided that if any such bank ceases to provide such online access, the Owner/Servicer shall use commercially reasonable efforts to move the affected accounts to a banking institution that will provide such access as soon as reasonably practicable, subject to Section 2.5(f). Subservicer shall notify Owner/Servicer of each individual with access rights to access any of the Custodial Accounts or Escrow Accounts and of any such individual that either ceases to be employed by the Subservicer or ceases performing functions that require such access, in each case not later than three (3) Business Days following the date on which such individual ceases employment or ceases performing such functions; provided, that Subservicer shall cause at least two (2) individuals to have access rights to such Custodial Accounts or Escrow Accounts at all times other than the three (3) Business Days following the date on which such individual ceases employment or ceases performing such functions.

(f) The Owner/Servicer may at its sole cost and expense, change Qualified Depositories by providing to the Subservicer thirty (30) days prior written notice for up to 100 accounts and sixty (60) days prior written notice for all accounts. The Subservicer shall cooperate with the Owner/Servicer to effectuate any such changes.

Section 2.6. Other Services.

Subject to Applicable Requirements, the Subservicer shall be responsible for further safeguarding the applicable Investor's interest in each Mortgaged Property as follows:

(a) Each party shall identify a relationship manager with respect to the Mortgage Loans, who shall serve as the principal point of contact for the other party for purposes of answering questions with respect to the Subservicing pursuant to this Agreement, it being understood that, to the extent that either party has identified a relationship manager under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such person shall also serve as the relationship manager and point of contact for such party hereunder. Each party will provide prompt notice to the relationship manager of the other party if a change occurs with the relationship manager;

(b) Subject to Section 10.17, the Subservicer shall (i) notify the Owner/Servicer as promptly as possible, and in no event later than ten (10) Business Days from the

Subservicer's or the Corporate Parent's receipt from any Insurer (as determined by the login information pursuant to Subservicer's intake procedures), Investor or Governmental Authority of any written notice or inquiry relating to an alleged violation or non-compliance of Applicable Requirements with respect to any Mortgage Loans that would reasonably be expected to result in a sanction, fee or other liability to the Owner/Servicer (including, but not limited to, termination under the applicable Servicing Agreement(s)), the Corporate Parent or otherwise materially adversely affect the Owner/Servicer or the Subservicer's ability to perform its obligations under this Agreement, including, but not limited to, any allegations of discrimination by the Subservicer or the Corporate Parent and any civil investigative demand or request for information, and shall promptly provide a copy of any such notice, allegation, demand or inquiry to the Owner/Servicer, it being understood that to the extent such a notice is delivered to any NRZ O/S Entity pursuant to Section 2.6(b) of the related NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such notice shall be deemed to have been delivered hereunder, and (ii) cooperate fully with the Owner/Servicer to respond promptly and completely to any such allegations or inquiries and similarly to any such allegations or inquiries received by the Owner/Servicer, it being understood that Owner/Servicer shall coordinate with the relevant NRZ O/S Entities to the extent similar responses are required under any NRZ Servicing/Subservicing Agreement(s) or the NRM Agency Subservicing Agreement. Subject to Section 10.17, the Subservicer shall notify the Owner/Servicer as promptly as possible, and in no event later than ten (10) Business Days of learning (as determined by the login information pursuant to Subservicer's intake procedures) that an investigation of the Corporate Parent or the Subservicer's servicing practices by any Governmental Authority has determined that material deficiencies in servicing performance or a material violation or non-compliance of Applicable Requirements has occurred; provided, however, that the Subservicer shall provide prompt notice but in no event later than ten (10) Business Days to the Owner/Servicer if (i) the Subservicer reasonably believes that a Governmental Authority is reasonably likely to suspend, revoke or limit any license or approval necessary for the Subservicer to service the Mortgage Loans in accordance with the terms of this Agreement, (ii) any notice from Fannie Mae, Freddie Mac or HUD regarding the termination or potential termination of the Subservicer as an eligible servicer for Fannie Mae, Freddie Mac or HUD, as applicable, (iii) any downgrade or actual notice of any anticipated downgrade of the Subservicer's servicer ratings, if any, with any Rating Agency or (iv) a special investigation or non-routine exam of the Subservicer or the Corporate Parent commenced by a Governmental Authority is reasonably likely to result in a Material Adverse Effect with respect to the Servicing Rights, it being understood that to the extent such a notice is delivered to an NRZ O/S Entity pursuant to Section 2.6(b) of an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such notice shall be deemed to have been delivered hereunder. The Subservicer shall then periodically, as often as the Owner/Servicer may reasonably request, confer with the Owner/Servicer to advise the Owner/Servicer of the status of any such investigation, it being understood that Owner/Servicer shall coordinate with the relevant NRZ O/S Entities to the extent applicable on all such requests. In addition, subject to Section 10.17, within ten (10) Business Days of the Subservicer's or the Corporate Parent's receipt (as determined by the login information pursuant to Subservicer's or Corporate Parent's intake procedures, as applicable), the

Subservicer shall deliver to the Owner/Servicer (x) any reports and/or findings with respect to such investigation relating to any material deficiencies in servicing performance or material violations or non-compliance with Applicable Requirements and (y) any consent decree terms and/or any proposed consent decree terms in connection with any investigation or settlement negotiations of the Corporate Parent or the Subservicer's servicing practices by any Governmental Authority that would materially affect the servicing activities hereunder or that would result in a Material Adverse Effect with respect to the Servicing Rights or the Owner/Servicer, it being understood that any such reports, findings, consent decrees and/or proposed consent terms delivered by any NRZ O/S Entity pursuant to Section 2.6(b) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been delivered hereunder. In the event the Subservicer is prohibited under applicable rules of privilege and confidentiality based upon the express advice of counsel from providing specific information or documentation under this Section 2.6, the Subservicer shall provide (and to the extent prohibited, the Subservicer shall provide to the maximum extent possible the information that is not prohibited from being disclosed) the Owner/Servicer with such relevant information or summaries with respect to the related matter that would not be prohibited under such rules, it being understood that to the extent Subservicer has provided such information to any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such information shall be deemed to have been provided hereunder. Any report made pursuant to this Section 2.6 related to regulatory investigation or other regulatory contact with the Subservicer and/or Corporate Parent, shall be at the timing set forth in Exhibit E-1 and in the format set forth in the related Formatted Servicing Report;

(c) The Subservicer shall maintain a log of all "qualified written requests" (as such term is used in the Real Estate Settlement Procedures Act) relating to the Mortgage Loans and a log of all escalated telephone complaints related to the Mortgage Loans. The Subservicer shall (i) provide copies of such logs the following month no later than the Reporting Date (or promptly upon the request by the Owner/Servicer) and (ii) make copies of any correspondence or documentation relating to any items included in such logs available electronically or on the Subservicer's systems for access to data and reports. The Subservicer shall provide basic complaint reporting and an Escalated Complaint Case Data Report, at the timing set forth in Exhibit E-1 and in the format set forth in the related Formatted Servicing Report, respectively, and a Notice of Error and Request for Information Report, in each case, at the timing set forth in Exhibit E and in the format set forth in the related Formatted Servicing Report. For the purpose of this Section 2.6(c), the Subservicer may provide combined reports and other materials concerning the Mortgage Loans serviced or subserviced under any NRZ Servicing/Subservicing Agreement, the NRM Agency Subservicing Agreement and the Mortgage Loans subserviced hereunder, and the delivery of such combined reports and materials to any NRZ O/S Entity shall be deemed to constitute delivery hereunder. The Subservicer shall handle all complaints received by the Subservicer in accordance with Applicable Requirements, and shall:

(i) Maintain an internal procedure to provide for the management, acknowledgment, response, tracking, and reporting of written and telephonic

complaints made to, or received by, the Subservicer in accordance with Applicable Requirements. The Subservicer shall provide the Owner/Servicer with a copy of such procedures and any material changes to such procedures at the timing set forth in Exhibit E-1. For the avoidance of doubt, for any purposes under this Agreement, written complaints include any complaints delivered in hard copy or in electronic form, including as obtained electronically through the CFPB or other regulatory portals.

(ii) The Subservicer shall make available promptly upon request of the Owner/Servicer with copies of a written complaint or transcripts of any telephonic complaints with respect to a Mortgage Loan (whether by or on behalf of Mortgagors or any third party), and any ongoing correspondence related thereto and the final written response to such complaint, and other reasonably related documents or information, upon request of the Owner/Servicer.

(iii) The Subservicer also shall include in its complaint monitoring, handling, and response activities any complaints and requests regarding the services provided by the Subservicer hereunder initially received by the Owner/Servicer and forwarded to the Subservicer for review and response.

(d) The Subservicer shall keep accessible and retrievable, and shall transmit or make available to the Owner/Servicer upon request, copies of all records relating to the Subservicing, including records related to foreclosure that the Subservicer has produced, or has received from a prior subservicer; and

(e) Subject to Section 10.17, the Subservicer shall maintain policies and procedures designed to comply with all MERS requirements and shall be a member of MERS in good standing throughout the duration of this Agreement. At the timing set forth in Exhibit E-1, the Subservicer shall provide such policies and procedures in accordance with Exhibit Q, it being understood that to the extent such policies and procedures are provided to any NRZ O/S Entity in accordance with any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such policies and procedures shall be deemed to have been delivered hereunder. The Subservicer agrees to cooperate in good faith in addressing any questions or concerns of the Owner/Servicer regarding any material modification to such policies. The Subservicer shall cooperate with any audit by the Owner/Servicer with respect to any Mortgage Loan registered with MERS and compliance with the MERS requirements, including providing access to any relevant documentation or information in connection therewith, it being understood that Owner/Servicer shall coordinate with each NRZ O/S Entity regarding such audits, to the extent applicable.

Section 2.7. Service Level Agreements.

(a) The Subservicer shall comply with the Service Level Agreements (" SLAs") as set forth from time to time on Exhibit F, or as modified pursuant to this Section 2.7; provided, however, that the Subservicer will not be responsible for delays, errors or omissions

caused by the Owner/Servicer or any NRZ O/S Entity or any verifiable factors outside of the Subservicer's control.

(b) No later than the applicable reporting schedule or deadline as set forth in any SLA, the Subservicer shall provide to the Owner/Servicer a report that sets forth the Subservicer's actual results with respect to such SLA for the applicable prior reporting period. In the event the Subservicer fails to comply with any SLA for a particular reporting period, the Subservicer shall provide to the Owner/Servicer in either the same reporting period or the immediately subsequent reporting period an explanation in writing of the reasons for failing to comply with each SLA and the proposed actions that the Subservicer shall undertake to address such failure. To the extent that Subservicer provides such reports and/or explanations to any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement, such reports and/or explanations shall be deemed to have been provided hereunder. The Owner/Servicer and the Subservicer shall cooperate in good faith to resolve any questions or issues regarding the SLAs and the Subservicer's performance with respect to such SLAs and Owner/Servicer shall coordinate with each NRZ O/S Entity regarding any such issues to the extent applicable under the related NRZ Servicing/Subservicing Agreement.

(c) At either party's request, the Owner/Servicer and the Subservicer shall review the SLAs and any proposed modifications to the SLAs (including the related tools and methodologies for measuring or calculating compliance with such SLAs). Such modifications shall be implemented and shall become effective when such modification is acknowledged in writing and signed by both parties. The parties agree that, to the extent applicable, the Owner/Servicer and Subservicer shall use commercially reasonable efforts to reconcile any modifications to the SLAs under and as defined in the NRM PLS Subservicing Agreement and any modifications to the SLAs hereunder.

(d) The financial penalties or bonuses relating to the SLAs set forth in Exhibit F shall be included in the calculation of the Owner/Servicer Economics or Subservicer Economics, as applicable, in such other manner as agreed by the parties.

Section 2.8. Accounting, Reporting and Remittances.

Subject to Applicable Requirements, including without limitation the applicable Servicing Agreement:

(a) On the applicable Remittance Date, the Subservicer shall remit to each Investor all principal, interest and any other amounts due to such Investor by Owner/Servicer.

(b) The Subservicer shall prepare and submit all reports to Investors as required by the applicable Servicing Agreement and make such reports available concurrently to Owner/Servicer. The Subservicer shall maintain an online portal accessible to the general public, to which it will post publically available data within the timeframes and containing the information, in each case, consistent with its practices prior to the Effective Date.

(c) The Subservicer shall provide the Owner/Servicer with the daily and monthly servicing reports in accordance with the timing set forth in Exhibit E-1 or otherwise required under this Agreement, it being understood that Subservicer may deliver a combined report covering Mortgage Loans serviced hereunder and Mortgage Loans subserviced under the NRM PLS Subservicing Agreement. The monthly servicing reports shall be delivered no later than the Reporting Date, unless otherwise set forth in Exhibit E-1 or agreed by the parties. Such reports shall be delivered electronically in a manner acceptable to the Owner/Servicer or made accessible to the Owner/Servicer on the Subservicer's reporting website (as described in Section 2.11(c)) and shall be in a format substantially in the forms attached to Exhibit E-2 (each, a "Formatted Servicing Report"), as applicable, or in such other format mutually agreed by the parties. In addition, upon request, the Subservicer shall provide the Owner/Servicer with a loan-level download (in a format reasonably requested by the Owner/Servicer) of servicing system collection comments within fifteen (15) calendar days of such request for up to [***] Mortgage Loans per quarter, or such longer period of time as the parties reasonably agree for more than [***] Mortgage Loans per quarter, unless the volume of loans requires a longer time period as determined in good faith by Subservicer in which case parties shall agree upon a reasonable timeframe to provide such comments. The Subservicer also shall cooperate in good faith with the Owner/Servicer to provide any additional reports or data as may be reasonably requested from time to time, including but not limited to any Owner/Servicer Regulatory Report subject to the process set forth in Section 2.3, it being understood that to the extent such a report is delivered to an NRZ O/S Entity under an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such report shall be deemed to have been delivered hereunder.

(d) The Subservicer shall provide the Owner/Servicer in an electronic format, with a month end collection and delinquency report set forth in the related Formatted Servicing Report identifying on a loan-level basis the status of any Delinquent Mortgage Loans, and any Loss Mitigation efforts, including, but not limited to, loan modifications and forbearances, it being understood that Subservicer may deliver a combined report covering Mortgage Loans serviced hereunder and Mortgage Loans subserviced under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and that delivery of such report to the applicable NRZ O/S Entity in accordance with the related NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to constitute delivery hereunder. Loan-level monthly reports shall be properly coded by the Subservicer to identify Mortgage Loans affected by Loss Mitigation efforts or other changes in payment terms and such reports shall reflect such pending payment terms. In the event a Governmental Authority or an Investor requests a report or delivery of data or information, the Subservicer and the Owner/Servicer shall follow the process set forth in Section 2.3.

(e) The Subservicer shall provide, at the timing set forth in Exhibit E-1, the Mortgagor Litigation Reports as set forth in the related Formatted Servicing Report summarizing current litigation, foreclosure and bankruptcy activity with respect to any of the Mortgage Loans. In addition, the Subservicer shall provide at the timing set forth in Exhibit E, a report relating to the oversight of foreclosure and bankruptcy attorneys in a

form to be reasonably agreed upon by the parties. The Subservicer's monthly reporting shall include updates regarding the status of any known litigation, including matters resolved and new matters and associated costs and expenses and upon reasonable request, the Subservicer shall promptly provide to the Owner/Servicer copies of all notices, pleadings and subpoenas regarding any such known litigation relating to a Mortgage Loan. The parties hereby agree that such report will include the following information: [***]. To the extent that any reports relating to the matters in this Section 2.8(e) are delivered by Subservicer to an NRZ O/S Entity under an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, Subservicer may deliver combined reports covering Mortgage Loans subserviced under such NRZ Servicing/Subservicing Agreement, the NRM Agency Subservicing Agreement and under this Agreement, and delivery of such reports to such NRZ O/S Entity shall be deemed to constitute delivery of such reports hereunder. The parties agree that Subservicer may deliver a combined report with the reporting required hereunder and the reporting required to be provided to Owner/Servicer under Section 2.8(e) of the NRM PLS Subservicing Agreement. The parties may agree to additional reporting, on an as-needed basis, for specific individual litigation proceedings pursuant to Section 2.3(b). The Subservicer shall cooperate in good faith with any requests or instructions from the Owner/Servicer regarding such litigation and related proceedings, and Owner/Servicer shall coordinate with each NRZ O/S Entity to the extent such requests relate to similar requests or instructions by such NRZ O/S Entity under the related NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement.

(f) On each Business Day, no later than two (2) Business Days after receipt thereof, the Subservicer shall remit to the Owner/Servicer the applicable Owner/Servicer Economics with respect to the Mortgage Loans pursuant to Section 4.1; provided, however, the Subservicer shall promptly notify the Owner/Servicer of any disputed amounts as forth in Section 4.3 and any disputed amounts shall not be included in the calculation until resolved in a mutually acceptable fashion pursuant to Section 4.3. The Subservicer shall provide the Owner/Servicer with the Reconciliation Report (as defined in Section 4.1) to confirm and reconcile the calculation of the Owner/Servicer Economics and the Subservicer Economics each month, including the appropriate breakdown and support of the various components of the daily Owner/Servicer Economics and monthly Owner/Servicer Economics and Subservicer Economics (on a loan-by-loan basis) and reflecting all applicable fees payable to the Owner/Servicer and to the Subservicer. Unless separate reporting is requested by Owner/Servicer, Subservicer may combine any such reporting with the reporting provided to the NRZ O/S Entities under Section 2.8(f) of the NRZ Servicing/Subservicing Agreements or the NRM Agency Subservicing Agreement and delivery of such reporting under the NRZ Servicing/Subservicing Agreements or the NRM Agency Subservicing Agreement shall be deemed to constitute deliver hereunder.

(g) The Subservicer shall promptly deliver to the Owner/Servicer any notice received by the Subservicer from an Investor that instructs the Subservicer to transfer servicing of any Mortgage Loan. In the event of a conflict between the Investor instructions and instructions by the Owner/Servicer, the Owner/Servicer and the Subservicer agree to work with such Investor and each other in good faith to resolve the conflict.

(h) Except as otherwise required by Applicable Requirements, all Float Benefit shall be payable to the Owner/Servicer, which amounts shall be included in the calculation of the Owner/Servicer Economics in accordance with Section 4.1. The Owner/Servicer shall be responsible for interest payments to Mortgagors, and Subservicer shall invoice such net amount as an Owner/Servicer Expense in accordance with Section 4.1. The Owner/Servicer shall be responsible for all fees and charges associated with maintaining any Custodial Account or Escrow Account.

(i) Subject to the Subservicer's obligations set forth in Section 2.13(d), the Owner/Servicer shall pay the amount necessary to cover any Compensating Interest, which amount will be invoiced as an Owner/Servicer Expense. Following receipt of such invoice, the Owner/Servicer shall notify the Subservicer of any disputed amounts as forth in Section 4.3 and any disputed amounts shall not be included in the calculation of Owner/Servicer Expense until resolved in a mutually acceptable fashion pursuant to Section 4.3.

(j) [Reserved.]

(k) The Subservicer shall cause an independent certified public accountant selected and employed by it to provide the Owner/Servicer not later than March 15th (or such earlier date required under the applicable Servicing Agreement) of each calendar year to furnish a statement to the effect that such firm has examined certain documents and records relating to the servicing of assets similar in nature to the Mortgage Loans and that such firm is of the opinion that the provisions of this Agreement or similar agreements have been complied with, and that, on the basis of such examination conducted substantially in compliance with the Uniform Single Attestation Program for Mortgage Bankers, nothing has come to their attention which would indicate that such servicing has not been conducted in compliance therewith, except for (i) such exceptions as such firm shall believe to be immaterial, and (ii) such other exceptions as shall be set forth in such statement. The parties agree that Subservicer may combine any such accountant statement with the similar accountant statements to be provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, and that delivery of such combined statement shall be deemed to have been provided hereunder.

(l) In the event any items of material noncompliance with Applicable Requirements are discovered, or are specifically noted in connection with any audit or examination of the Corporate Parent or the Subservicer's servicing of any of the Mortgage Loans, the Subservicer shall promptly address and resolve such items and report the status, findings and resolution of such items in a timely manner to the Owner/Servicer and as otherwise required under Applicable Requirements, it being understood that to the extent such reports are provided to an NRZ O/S Entity under an NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reports shall be deemed to be provided hereunder.

(m) The Subservicer shall promptly notify the Owner/Servicer if it becomes aware of any repurchase claim against the Owner/Servicer or that would result in a Loss to Owner/Servicer by the applicable Investor with respect to any Mortgage Loan and shall

cooperate with any reasonable requests of the Owner/Servicer for information with respect to such Mortgage Loan and in connection with coordinating the repurchase claim (including, but not limited to, providing copies of related collection system comments) and delivery of the applicable Mortgage Loan file and related documents to the Owner/Servicer or its designee with respect to such repurchase transaction.

Section 2.9. Delinquency Control.

The Subservicer shall, in accordance with and subject to Applicable Requirements, including without limitation the applicable Servicing Agreement:

(a) Maintain a delinquent mortgage servicing program that shall include an adequate accounting system that indicates the existence of Delinquent Mortgage Loans, a procedure that provides for sending delinquent notices, assessing late charges, and returning inadequate payments, and a procedure for the individual analysis of distressed or chronically delinquent Mortgage Loans;

(b) Maintain a collection department and an on-line automated collection system that complies in all material respects with Applicable Requirements and the Servicing Procedures;

(c) Conduct property inspections with respect to defaulted Mortgage Loans and REO Properties in accordance with Applicable Requirements, including without limitation the terms of the applicable Servicing Agreement and the Servicing Procedures.

(d) In accordance with Applicable Requirements, administer the foreclosure or other acquisition of the Mortgaged Property relating to any Mortgage Loan in the name of the applicable Investor, process claims for any applicable insurance and until the transfer of such Mortgaged Property to the Investor or a private mortgage Insurer, if applicable, protect such property from waste and vandalism. In no event shall the Subservicer have title to a Mortgaged Property conveyed in the name of the Owner/Servicer without the Owner/Servicer's prior written consent not to be unreasonably withheld or delayed.

(e) The Subservicer shall take appropriate measures to ensure, on an ongoing basis, the accuracy of all documents filed or otherwise utilized by the Subservicer or its Vendors, Off-shore Vendors and/or Default Firms in any judicial or non-judicial foreclosure proceeding, related bankruptcy proceeding or in other foreclosure-related litigation, including but not limited to, documentation sufficient to establish ownership of the Mortgage Loan by the related Investor or the Owner/Servicer (if the Owner/Servicer is the Investor with respect to such Mortgage Loan) and the right to foreclose at the time the foreclosure action is commenced in the name of the Investor. The Subservicer shall be required to maintain, and to cause its Vendors, Off-shore Vendors and Default Firms to maintain, current and accurate records relating to any foreclosure or related bankruptcy proceedings or related litigation, with a clear auditable trail of documentation capable of validating foreclosure that the Subservicer has produced, or has received from a prior subservicer, and shall cause its Vendors, Off-shore Vendors and Default Firms to do the same. In connection with any

foreclosure proceeding, the Subservicer shall handle such foreclosure proceedings in the name of the Investor, unless otherwise set forth pursuant to the Applicable Requirements, and the Subservicer shall comply with all Applicable Requirements; provided that, in no event shall the Subservicer (i) foreclose on the related Mortgaged Property in the name of the Owner/Servicer or (ii) have title to the Mortgaged Property conveyed in the name of the Owner/Servicer, in each case, without the Owner/Servicer's prior written consent not to be unreasonably withheld or delayed.

(f) With respect to any second lien Mortgage Loan, if the Subservicer is notified that any superior lienholder has accelerated or intends to accelerate the obligations secured by the Superior Lien, or has declared or intends to declare a default under the mortgage or the promissory note secured thereby, or has filed or intends to file an election to have the Mortgaged Property sold or foreclosed, the Subservicer shall take, whatever actions are necessary to protect the interests of the Investor consistent with Applicable Requirements; provided that such expense is treated as a reimbursable advance from the Investor.

(g) The Subservicer shall comply with the Applicable Requirements, including without limitation the applicable Servicing Agreement, and the Servicing Procedures in connection with procedures and requirements relating to Charged-off Loans and shall include in its monthly reporting to the Owner/Servicer when any such Mortgage Loans become Charged-off Loans. The parties agree that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under Section 2.9(g) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. Unless otherwise required under Applicable Requirements, the Subservicer shall not make any Servicing Advances or P&I Advances with respect to Charged-off Loans and shall not be entitled to any Servicing Fees or other compensation with respect to Charged-off Loans. To the extent consistent with Subservicer's Servicing Procedures and in accordance with Section 2.4, Subservicer may utilize a Vendor for recovery collection on such Charged-off Loans.

Section 2.10. REO Properties.

(a) In the event that title to a Mortgaged Property is acquired in foreclosure, redemption, ratification or by deed in lieu of foreclosure, the deed or certificate of sale shall be taken in the name of the Investor, or its designee (or as otherwise required by the applicable Servicing Agreement); provided that, in no event shall the Subservicer have title to the Mortgaged Property conveyed in the name of the Owner/Servicer without the Owner/Servicer's prior written consent not to be unreasonably withheld or delayed.

(b) Notwithstanding anything to the contrary in this Agreement, (i) the Subservicer shall not engage any Vendor to perform any form of REO Disposition Services on any REO Property subserviced hereunder unless the Owner/Servicer has directed the Subservicer in writing to engage a Vendor to perform REO Disposition Servicers and any such Vendor shall be approved in writing by the Owner/Servicer in its sole discretion and subject to the Owner/Servicer approving the terms and conditions of the arrangement with such Vendor, provided that Subservicer's Vendors performing REO Disposition Services

and identified on Exhibit I-2 (each a "Critical REO Disposition Vendor") shall be deemed to have been approved by Owner/Servicer until otherwise directed by Owner/Servicer, (ii) the Owner/Servicer shall engage any third party having all qualifications, licenses and/or approvals necessary to perform REO Disposition Services in accordance with the terms of this Agreement and otherwise acceptable to the Owner/Servicer (each an "Approved Party") to perform REO Disposition Services on any REO Property subserviced hereunder; provided that the Owner/Servicer may, in its sole discretion, consult the Subservicer for its opinion regarding particular third party's competence to perform REO Disposition Services, (iii) the Subservicer shall cooperate with such Approved Party in connection with it providing REO Disposition Services, including but not limited to, responding to inquiries regarding any REO Property and providing information and data regarding the REO Properties to the Approved Party as required by such Approved Party, (iv) the Subservicer shall (x) review any reporting and/or data provided by such Approved Party, (y) incorporate such information to Subservicer's servicing systems and (z) report such information to the applicable Investors in accordance with the applicable Servicing Agreement, (v) the Owner/Servicer shall be entitled to any and all Downstream Ancillary Income, (vi) the Subservicer shall be responsible for any and all costs associated with terminating Critical REO Disposition Vendors, including the costs, expenses, termination fees, or other amounts payable, if any, under its existing arrangements with such Critical REO Disposition Vendors, and (vii) the Owner/Servicer shall be responsible for any and all costs and expenses incurred by the Owner/Servicer for engaging any third- party to assist the Owner/Servicer in oversight of this Agreement (except as set forth in Section 2.11(a)).

(c) To the extent the ongoing internal costs and expenses related to the Subservicer's interaction and/or cooperation with any Approved Party materially exceeds the costs Subservicer had previously experienced with respect to REO Disposition Services (the "Internal Cost Variance"), the Owner/Servicer shall reimburse the Subservicer the documented incremental costs and incremental expenses incurred by Subservicer with respect to interaction and cooperation with any Approved Party that exceeds the Subservicer's prior costs related thereto; provided that (i) the Subservicer shall use commercially reasonable efforts to minimize such incurred costs and expenses and (ii) the Owner/Servicer shall have no obligation to reimburse the Subservicer for any costs and expenses related to changes in Subservicer's servicing systems, technology systems, servicing processes and/or training/re-training employees, in each case, in connection with the initial implementation and on-boarding. The Subservicer shall provide the Owner/Servicer any and all supporting documentation reasonably necessary to review the Internal Cost Variance asserted by Subservicer (supporting documentation may include invoices, reports and any other documentation or evidence which reasonably substantiates the alleged Internal Cost Variance) and the Owner/Servicer must reasonably agree with such Internal Cost Variance prior to the Owner/Servicer reimbursing the applicable incremental costs and incremental expenses as set forth above. The Owner/Servicer shall be reasonable with respect to any requests to change any Approved Party or Critical REO Disposition Vendor. In connection with the foregoing, the parties hereby agree that it would not be "reasonable" [***]; it being understood, that the limitation on the number of Approved Parties engaged pursuant to this clause (c) by Owner/Servicer shall apply to all "Approved

Parties" engaged by any NRZ/OS Entity under any NRZ Servicing/Subservicing Agreement and the NRM Agency Subservicing Agreement. Any Approved Party shall be onboarded in accordance with and subject to the provisions in Section 2.3(f) of this Agreement.

(d) Subject to the terms of the Subservicer's existing contracts, as soon as reasonably practicable and in no event later than ninety (90) calendar days after the date hereof, the Subservicer shall not sign any new property-level listing agreements which cannot be terminated within sixty (60) calendar days after the applicable Transfer Date.

(e) To the extent that the Owner/Servicer does not engage an Approved Party and directs the Subservicer in writing to either (i) engage a vendor to perform REO Disposition Services (which such vendor shall be approved by the Owner/Servicer in its sole discretion and subject to the Owner/Servicer approving the terms and conditions of the arrangement with such vendor) or (ii) utilize the Critical REO Disposition Vendor(s), in each case, the Subservicer shall comply with all Applicable Requirements related to the maintenance of REO Property, including without limitation all requirements set forth in the applicable Servicing Agreement. The Subservicer shall maintain on each REO Property monthly fire, hazard and, to the extent required and available under the national flood insurance program, flood insurance, all in the amounts and with such coverage as required under Applicable Requirements.

(f) In addition to the Subservicer's indemnification obligations set forth in Section 8.2, the Subservicer hereby agrees to indemnify and hold the Owner/Servicer harmless against any and all Losses resulting from or arising out of Subservicer [***].

(g) The Owner/Servicer shall be responsible for obtaining and maintaining any liability coverage insuring the Owner/Servicer.

Section 2.11. Books and Records; Access to Facilities.

(a) Subject to Section 10.17, the Subservicer shall keep accessible and retrievable, and make available to the Owner/Servicer upon the Owner/Servicer's reasonable request, copies of all records relating to the Subservicing of the Mortgage Loans under this Agreement, including records related to foreclosure and Loss Mitigation. The Owner/Servicer shall have the right to examine, audit or conduct diligence on the Subservicer and the Servicing Rights, Mortgage Loans; provided that the Owner/Servicer agrees to coordinate examinations, audits, reviews or diligence pursuant to this Section 2.11(a) with any examinations, audits, reviews or diligence conducted by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. In such reviews, the Subservicer will allow the Owner/Servicer, its Affiliates, and its Representatives (other than Representatives that are business competitors of Subservicer), during normal business hours and upon reasonable notice and provided that such review shall not unduly or unreasonably interrupt the Subservicer's business operations, to, at any time and from time to time, access to review all of Subservicer's origination and servicing platform, the Mortgage Files, facilities, employees, servicing files, servicing documents, servicing records, data tapes, computer records, servicing systems, and other computer and

technology systems or other information pertaining to this Agreement, any Servicing Agreement, the Servicing Rights, the Mortgage Loans, P&I Advances, the Servicing Advances and the Subservicer's general servicing practices and procedures. The Subservicer may require that any Persons performing such due diligence on behalf of the Owner/Servicer agree to the same non-disclosure and confidentiality agreements set forth in Section 10.12. In furtherance thereof, the Subservicer shall provide such information, data and materials as reasonably requested by the Owner/Servicer in furtherance of this Section 2.11; provided that Owner/Servicer agrees to coordinate any requests with any such requests made by an NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement. The Owner/Servicer shall pay its own expenses in connection with any such examination; provided further, to the extent the Owner/Servicer reasonably determines that additional diligence is necessary as a result of (x) incorrect or inaccurate information provided to Owner/Servicer by Subservicer or (y) the Subservicer's (actual or reasonably alleged) failure to observe or perform any or all of the Subservicer's covenants and obligations under this Agreement (including errors in judgment), in each case, the Subservicer shall reimburse the Owner/Servicer up to $500,000.00 per year for the incremental costs and expenses of conducting such additional diligence, it being understood that the maximum amount of $500,000 per year shall apply to all diligence conducted by Owner/Servicer hereunder and any diligence conducted by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement and the NRM Agency Subservicing Agreement. With respect to any reviews under this clause (a) and under Section 2.11(a) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement that exceed one (1) review in any three-month period (absent an event occurring under Section 5.3), the out-of-pocket and internally allocated costs and expenses, as applicable, incurred by the Subservicer in connection with such additional review shall be at the Owner/Servicer's expense as further set forth in Section 2.3(d). In addition, upon Owner/Servicer's request, which request shall be made in coordination with any similar request by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, the Subservicer shall make its chief financial officer, treasurer or other senior executive that is both authorized and sufficiently well-informed to speak to Subservicer's financial condition, available to discuss Subservicer's financial condition, including its current liquidity, promptly but no less than two (2) Business Days after such request.

(b) The Subservicer shall cooperate in good faith with the Owner/Servicer and it Representatives and regulators in responding to any reasonable inquiries regarding the Subservicer's Subservicing of the Mortgage Loans and the Subservicer's compliance with, and ability to perform its obligations under, the provisions of this Agreement and Applicable Requirements, including without limitation inquiries regarding the Subservicer's qualifications, expertise, capacity and staffing levels, training programs, work quality and workload balance, reputation (including complaints), information security, document custody practices, business continuity and financial viability, monitoring and oversight of the Vendors, Off-shore Vendors and Default Firms as well as the current accuracy of the representations and warranties made by the Subservicer in Article VII, it being understood that Owner/Servicer shall coordinate all such requests with the requests made by any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency

Subservicing Agreement. The Subservicer shall reasonably cooperate to provide to the regulatory authorities supervising Owner/Servicer or its Affiliates and the examiners and supervisory agents of such authorities, access to the documentation required by applicable regulations of such authorities supervising Owner/Servicer or its Affiliates with respect to the Mortgage Loans. The Owner/Servicer may request, in concert with any such request under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, and the Subservicer shall cooperate with, reasonable periodic reviews of the Subservicer's performance and competence under this Agreement to confirm timeliness, completeness, and compliance with all Applicable Requirements and the provisions of this Agreement, and to confirm that foreclosures are conducted in a manner consistent with Applicable Requirements and any regulatory orders, directives or guidance applicable to the Owner/Servicer, the Subservicer, or their Affiliates. The Subservicer shall provide the Owner/Servicer with at least ninety (90) days' prior written notice if it intends to discontinue or change its current servicing system of record, it being understood that any such notice provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder.

(c) The Subservicer shall provide the Owner/Servicer and its Representatives with access to its systems for access to data and reports to allow the Owner/Servicer to monitor the Mortgage Loans. Owner/Servicer shall not have any limitations on the amount of access to such systems and shall not have any limitation on "page views" or downloading therein. Through such access to systems, the Owner/Servicer shall be provided with unlimited access on demand to certain reports and data referenced in this Agreement. Such access to systems shall have targeted availability of twenty-four hours a day, three-hundred sixty-five (365) days per calendar year with a targeted uptime of ninety-eight percent (98%) per month not to include scheduled maintenance. The Subservicer shall provide the Owner/Servicer at least five (5) Business Days' notice prior to any scheduled maintenance or other scheduled access interruption of such access to systems, it being understood that any such notice provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder; provided that the Subservicer shall immediately notify the Owner/Servicer of any unscheduled access interruptions, it being understood that any such notice provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder. The Subservicer shall use commercially reasonable efforts to address any access or availability issues on the same Business Day on which such issues arises. During any such unscheduled access interruptions, the Subservicer shall use commercially reasonable efforts to provide the Owner/Servicer certain reports and data in an alternative medium, it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer provides such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder. The Subservicer's access to systems shall allow access to the following data and documents: (i) imaged Mortgage Loan Documents and Mortgage Servicing Files in Subservicer's possession or

control; (ii) imaged copies of all Mortgagor communications; (iii) records of all Mortgagor communications; (iv) imaged copies of all litigation, bankruptcy, foreclosure related filings and related documentation solely to each Mortgage Loan (for the avoidance of doubt, such imaged copies of litigation, bankruptcy and foreclosure filings and related documentation will not include those unrelated to the Mortgage Loans); (v) current commentary regarding all Mortgagor communications and all activity related to each Mortgage Loan with sufficient detail to understand the status of any issues; (vi) an identifier of the Default Firm(s) engaged relating to the Mortgage Loan, if applicable; (vii) call transcripts; (viii) call recordings (unless call recordings are otherwise electronically made available to the Owner/Servicer, (ix) insurance, including [***], if applicable, and hazard and flood insurance; (x) single point of contact; and (xi) the documents and materials described in Section 2.18(e).

(d) Subject to Section 10.17, the Subservicer shall deliver to the Owner/Servicer the results of any and all reviews or audits conducted by or obtained by the Corporate Parent, the Subservicer, its Vendors, Off-shore Vendors, Default Firms, agents or representatives (including internal and external auditors) to the extent set forth in Exhibit Q hereto, it being understood that to the extent such results or reports are delivered to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such results or reports shall be deemed to have been delivered hereunder. To the extent the Subservicer is prohibited from delivering such results to the Owner/Servicer, the Owner/Servicer and the Subservicer agree that such reporting may be conducted onsite at the Subservicer's location, or may be accomplished via secure electronic means, to the extent such onsite or electronic diligence is otherwise permitted. The Subservicer and the Owner/Servicer acknowledge that the availability of certain information from the Subservicer's Vendors, Off-shore Vendors, Default Firms and/or other agents and representatives is subject to the requirements and limitations of the contractual relationship between the Subservicer and that party.

(e) For critical systems relied upon by the Subservicer in connection with its obligations under this Agreement, the Subservicer shall, for each year starting the year in which the Effective Date occurs and for so long as Subservicer performs the Subservicing under this Agreement and in accordance with the delivery timing set forth in Exhibit E-1, provide (i) the Owner/Servicer with a copy of the SOC 1 Type II report applicable to the services or products (or equivalent report(s), solely to the extent Subservicer proposes such equivalent report(s) in advance to Owner/Servicer and are reasonably satisfactory to Owner/Servicer) of Subservicer's data processing environment and internal controls related to the obligations or services under this Agreement, as well as (ii) copies of each SOC report or equivalent report(s) applicable to the services or products provided by the Critical Vendors. Each report described in clauses (i) and (ii) above must be performed by a nationally recognized independent audit firm (provided that Subservicer's current audit firm shall be deemed acceptable) and shall be substantially consistent with the scope and form provided to New Residential Mortgage LLC in the report related to the period from October 1, 2015 to September 30, 2016, it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer

provides such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder. Any requests by the Owner/Servicer to expand the scope of such reports shall be made in coordination with any such request by each NRZ O/S Entity under the related NRZ Servicing/Subservicing Agreements and the NRM Agency Subservicing Agreement and shall be subject to Section 2.3. To the extent any such SOC 1 Type II attestation (or permitted equivalent report(s)) described in clause (i) or (ii) above results in findings, the Subservicer shall make commercially reasonable efforts to remediate and respond promptly to any reasonable inquiries regarding any such findings from the Owner/Servicer and its external auditor, it being understood that the Owner/Servicer shall coordinate any such inquiries with any inquiries made in accordance with Section 2.11(e) of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, and, to the extent applicable, any response provided by Subservicer to such inquiries under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to have been provided hereunder. Subject to Section 10.17, in the event the Subservicer is prohibited from providing any of the reports or reviews required under this Section 2.11(e) to the Owner/Servicer, the Subservicer shall cooperate with the Owner/Servicer and use commercially reasonable efforts to obtain the necessary consents to provide such reports or reviews to the Owner/Servicer.

(f) The Subservicer shall promptly upon written request provide to the Owner/Servicer and any Master Servicer, or any Depositor (or any designee of the Depositor, such as an administrator) if a Master Servicer has not been identified under the applicable Servicing Agreement, a written description (in form and substance reasonably satisfactory to the Owner/Servicer) of the role and function of each Vendor utilized by the Subservicer, specifying (i) the identity of each such Vendor, (ii) which (if any) of such Vendors are "participating in the servicing function" within the meaning of Item 1122 of Regulation AB and (iii) which elements of the Servicing Criteria will be addressed in assessments of compliance provided by each Vendor identified pursuant to clause (ii) of this Section 2.11(f), it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer provides such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder. The Subservicer shall cause any Vendor determined by the Subservicer in its commercially reasonable discretion, applying substantially the same criteria in its determination as applied in the Subservicer's 2016 Regulation AB reporting, to be "participating in the servicing function" used by the Subservicer to comply with the provisions of Section 2.11(g) of this Agreement to the same extent as if such Vendor were the Subservicer.

(g) Each calendar year, on or before five (5) Business Days prior to the earliest due date under any Servicing Agreement applicable to Subservicer in its role as Master Servicer or any Servicing Agreement applicable to Subservicer in its role as subservicer, the Subservicer shall (to the extent provided for under the applicable Servicing Agreement) with respect to each Investor:

(i) deliver to the Owner/Servicer a report regarding the Subservicer's assessment of compliance during the immediately preceding calendar year substantially in the form of the Subservicer's 2016 Regulation AB reports as primary servicer and master servicer (or as otherwise specified in the applicable Servicing Agreement), as required under Rules 13a-18(c) and 15d-18(c) of the Exchange Act and Item 1122(b) of Regulation AB. Such report shall be signed by an authorized officer of the Subservicer;

(ii) deliver to the Owner/Servicer a report of a nationally recognized independent audit firm that attests to, and reports on, the assessment of compliance made by the Subservicer and delivered pursuant to Section 2.11(g)(i). Such attestation shall be in accordance with Rules 1-02(a)(3) and 2-02(g) of Regulation S-X under the Securities Act and the Exchange Act;

(iii) cause each Vendor determined by the Subservicer pursuant to Section 2.11(f) to be "participating in the servicing function" within the meaning of Item 1122 of Regulation AB, to deliver to the Subservicer, an assessment of compliance and accountants' attestation as and when provided in this Section 2.11(g), which shall be delivered with the Subservicer's report as provided in 2.3(g)(i);

(iv) if required by the Servicing Agreement, deliver, and cause each Vendor described in Section 2.11(g)(iii) to deliver, to the Owner/Servicer, and any other Person that will be responsible for signing the certification (a "Sarbanes Certification") required by Rules 13a-14(d) and 15d-14(d) under the Exchange Act (pursuant to Section 302 of the Sarbanes-Oxley Act of 2002) on behalf of an asset-backed issuer with respect to a securitization transaction a certification, signed by the appropriate officer of the Subservicer, in the form set forth in the applicable Servicing Agreement; and

(v) deliver to the Owner/Servicer a statement of compliance addressed to the Owner/Servicer and such Depositor and signed by an authorized officer of the Subservicer, to the effect that (A) a review of the Subservicer's activities during the immediately preceding calendar year (or applicable portion thereof) and of its performance under this Agreement (which shall be delivered as a separate statement to the Owner/Servicer only) and any applicable Servicing Agreement during such period has been made under such officer's supervision, and (B) to the best of such officers' knowledge, based on such review, the Subservicer has fulfilled all of its obligations under this Agreement and any applicable Servicing Agreement in all material respects throughout such calendar year (or applicable portion thereof) or, if there has been a failure to fulfill any such obligation in any material respect, specifically identifying each such failure known to such officer and the nature and the status thereof.

The parties agree that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and to the extent Subservicer provides

such reporting to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such reporting shall be deemed to be provided hereunder.

Section 2.12. Insurance.

The Subservicer shall maintain, at its own expense, a blanket fidelity bond and an errors and omissions insurance policy (collectively, the "Fidelity and Errors and Omissions Insurance"), with broad coverage on all officers, employees or other Persons acting in any capacity with regard to the Mortgage Loans to handle funds, money, documents and papers relating to the Mortgage Loans. The Fidelity and Errors and Omissions Insurance shall be underwritten by an Insurer that has a current rating acceptable under Fannie Mae and Freddie Mac requirements and the applicable Servicing Agreement. The Fidelity and Errors and Omissions Insurance shall protect and insure the Subservicer against Losses, including forgery, theft, embezzlement, errors and omissions, negligent and fraudulent acts of such Persons. The Fidelity and Errors and Omissions Insurance shall also protect and insure the Subservicer against Losses in connection with the failure to maintain any insurance policies required pursuant to this Agreement and Applicable Requirements and the release or satisfaction of a Mortgage Loan without having obtained payment in full of the indebtedness secured thereby.

No provision of this Section 2.12 requiring the Fidelity and Errors and Omissions Insurance shall diminish or relieve the Subservicer from its duties and obligations as set forth in this Agreement. The minimum coverage under any such Fidelity and Errors and Omissions Insurance shall be at least equal to the greater of (i) the corresponding amounts required pursuant to the Fannie Mae Guides or as otherwise waived or permitted by Fannie Mae, (ii) the corresponding amounts required by Applicable Requirements or (iii) such other amount required under the applicable Servicing Agreement. Promptly following request of the Owner/Servicer or the Investor, the Subservicer shall cause to be delivered proof of coverage of the Fidelity and Errors and Omissions Insurance. At the timing set forth in Exhibit E-1, the Subservicer will deliver or make available its then-current Fidelity and Errors and Omissions Insurance and will notify the Owner/Servicer promptly if such Fidelity and Errors and Omissions Insurance is terminated without replacement, it being understood that to the extent Subservicer delivers or makes available to any NRZ O/S Entity such proof or notifies any NRZ O/S Entity of any such termination, Subservicer shall be deemed to have provided such proof or notice to Owner/Servicer hereunder.

Section 2.13. Advances.

(a) Servicing Advances.

The Subservicer shall, from time to time during the term of this Agreement, make Servicing Advances as required under the applicable Servicing Agreement and Applicable Requirements, provided, however, that such Servicing Advances shall be made in compliance with the Advance Policy. For the avoidance of doubt, the Advance Policy, as it relates to the making of Servicing Advances, does not apply to any Servicing Advance made prior to the applicable Transfer Date.

The Subservicer shall not make any Servicing Advance unless such Servicing Advance is in compliance with the Advance Policy unless otherwise expressly directed by Owner/Servicer in writing to make such Servicing Advance in accordance with Section 2.3 of this Agreement.

The Subservicer shall not have any obligation to notify the Owner/Servicer before making any Servicing Advances that are permitted under the Advance Policy and the applicable Servicing Agreement.

The Subservicer shall provide the Owner/Servicer such loan-level detail and advance-level detail information regarding Servicing Advances made in the format and timing set forth in Exhibit E-1. On an as-needed basis, the Subservicer shall identify any outstanding Servicing Advances which the Subservicer has determined are not recoverable and the specific reason why such Servicing Advances are not recoverable and whether such Servicing Advance, if made by the Subservicer, complied with the Advance Policy. For the avoidance of doubt, the Subservicer shall make any advance necessary as required by all federal, state and local legal and regulatory requirements (including, without limitation, laws, statutes, rules, regulations and ordinances).

(b) P&I Advances.

The Subservicer shall, from time to time during the term of this Agreement, make P&I Advances as required under the applicable Servicing Agreement and Applicable Requirements, provided, however, that such P&I Advances shall be made in compliance with the Advance Policy.

The Subservicer shall not make any P&I Advance unless such P&I Advance is in compliance with the Advance Policy unless otherwise expressly directed in writing by Owner/Servicer to make such P&I Advance in accordance with Section 2.3 of this Agreement.

If the Subservicer reasonably determines that on any Remittance Date for an Investor there will not be adequate Custodial Funds in the related Custodial Account to be remitted for payment to an Investor, then the Subservicer shall provide the Owner/Servicer written notice of the amount required to be deposited in such Custodial Account pursuant to the applicable Servicing Agreement so that the Custodial Account will have funds on deposit at least equal to the amount required to be remitted to the applicable Investor. The Subservicer shall provide the Owner/Servicer and the Owner/Servicer's lender(s) (as identified to the Subservicer by the Owner/Servicer) such written notice no later than 1:00 p.m. New York City time on the first (1 st) Business Day prior to the date on which the respective Custodial Accounts are required to be funded with regard to the respective Remittance Date which notice shall contain an estimate of the P&I Advance required to be advanced by the Owner/Servicer. Subject to resolution of any obvious or manifest errors in such estimate, on such date, the Owner/Servicer shall fund (or cause to be funded) the amount set forth in the written notice provided by the Subservicer (or such lesser amount as reasonably determined by the Subservicer) via wire transfer into the applicable Custodial Account or such other aggregation account as directed by the Subservicer. To the extent the amounts that the Owner/Servicer (or its lender(s)) fund exceed the amounts required to be remitted to the applicable Investor on the applicable Remittance Date, the Subservicer shall remit such excess funds to the Owner/Servicer or lender(s), as applicable, no later than two (2) Business Days after such Remittance Date (or netted against the next Business Days' advance reimbursements if mutually agreed by the parties).

(c) Reimbursement of Servicing Advances .

(i) The Subservicer shall cooperate with the Owner/Servicer, Owner/Servicer's lender(s) and any Rating Agency or other third party in connection with the Owner/Servicer's financing of any Servicing Advances.

(ii) The Subservicer shall be entitled to be reimbursed for all Servicing Advances made by the Subservicer in accordance with this Agreement on a daily basis as further described in this Section 2.13(c). Each Business Day, the Subservicer shall provide the Owner/Servicer and the Owner/Servicer's lender(s) (as identified to the Subservicer by the Owner/Servicer) with a report as set forth on Exhibit E-1 evidencing Servicing Advances made by the Subservicer in the previous Business Day. For the avoidance of doubt, images of invoices will not be required for purposes of reimbursement pursuant to this Section 2.13(c)(ii).

(iii) Promptly upon Owner/Servicer's lender's receipt of the information provided pursuant to Section 2.13(c)(ii) (the "Servicing Advances Reimbursement Date"), subject to resolution of any obvious or manifest errors, the Owner/Servicer shall remit (or cause to be remitted) the amount set forth in the written invoice or other customary documentation provided by the Subservicer for all such Servicing Advances (or such lesser amount as reasonably determined by the Subservicer) via wire transfer to the Subservicer on such Servicing Advances Reimbursement Date. Notwithstanding any provision in this Agreement to the contrary, the Owner/Servicer shall not be responsible for any PMI Proceeding Advances and in no event shall the Subservicer be reimbursed by the Owner/Servicer for any PMI Proceeding Advances.

(iv) Except with respect to obvious or manifest errors, Subservicer and Owner/Servicer shall resolve any disputes regarding Servicing Advances in accordance with Section 2.13(e).

(v) Notwithstanding any provision in this Agreement to the contrary, the Subservicer shall reimburse the Owner/Servicer for any Servicing Advances (as part of the daily remittance of the Owner/Servicer Economics) made by the Subservicer and reimbursed by the Owner/Servicer in the event (x) the applicable Investor declines to reimburse such Servicing Advance as a result of the failure of the Subservicer to service the related Mortgage Loan in accordance with Applicable Requirements or (y) it is determined that such Servicing Advance is not eligible for reimbursement under the applicable Servicing Agreement (unless such Servicing Advance is permitted to be made under the Advance Policy and in accordance with Section 2.13(a).

(d) Recovery of P&I Advances and Servicing Advances from Mortgagors .

The Subservicer shall use commercially reasonable efforts to collect and recover from the related Mortgagors, Investors, or Insurers in accordance with Applicable Requirements and the

Advance Policy, all P&I Advances, Owner/Servicer Expenses (to the extent applicable) and Servicing Advances made by the Subservicer or any prior servicer or subservicer.

The Subservicer shall withdraw funds from the Custodial Accounts to reimburse any Servicing Advances, Owner/Servicer Expenses and/or P&I Advances as soon as possible as permitted under the related Servicing Agreements and the Advance Policy; provided that, the Advance Policy shall allow for certain delays related to the protection of investment grade bonds. Any reimbursements of Servicing Advances and/or P&I Advances shall be deposited to the Subservicer's clearing account within one (1) Business Day after its receipt thereof. The Subservicer shall then remit any such reimbursements to such account or accounts designated in writing from time to time by the Owner/Servicer (or any transferee of the rights to reimbursement therefor) no later than two (2) Business Days after such amounts are deposited into the clearing account.

To the extent any Servicing Agreement does not have provisions or otherwise contemplate the prioritization for recovery of Servicing Advances, Servicing Fees and/or P&I Advances, the Subservicer shall calculate any loss at liquidation associated with nonrecoverable advances in a manner that minimizes such loss to the Owner/Servicer (i.e., utilizing loan-level proceeds to reduce items which do not benefit from a general collections backstop before items which may be reimbursed on a pool-level basis).

The Subservicer shall cooperate in good faith with the Owner/Servicer to pursue full reimbursement of outstanding P&I Advances, Owner/Servicer Expense and Servicing Advances and shall indicate in the monthly reporting if it determines the recoverability of any such P&I Advances or Servicing Advances is at risk, it being understood that Subservicer may combine any such reporting with the reporting provided to Owner/Servicer under the NRM PLS Subservicing Agreement and delivery of such reporting under such NRZ Subservicing Agreement(s) shall be deemed to constitute delivery hereunder.

In the event a P&I Advance or a Servicing Advance is determined to be nonrecoverable under the applicable Servicing Agreement as a result of the Subservicer's failure to comply with the Advance Policy (other than as a result of Subservicer's compliance with the instruction of Owner/Servicer in accordance with Section 2.3), the Subservicer shall be required to reimburse the Owner/Servicer for the amount of any such advance that was funded or reimbursed by the Owner/Servicer within ten (10) Business Days following the determination that such advance was nonrecoverable.

(e) Advance Dispute Resolution.

Except with respect to obvious and manifest errors otherwise resolved by the parties, disputes regarding P&I Advances or Servicing Advances shall be resolved in the manner set forth in Schedule 2.13(e).

Section 2.14. Solicitation.

Except as otherwise permitted under Exhibit B of this Agreement, the Subservicer, the Corporate Parent, their respective Affiliates, agents and representatives shall not, without the prior written consent of the Owner/Servicer, solicit Mortgagors for a refinance of the Mortgage Loans,

or for accident, health, life, property and casualty insurance, or any other non-mortgage related products or services, except for products or processes that facilitate normal servicing activities, such as "speedpay" or automatic payment plans. Only upon receipt of the prior written consent of the Owner/Servicer and in accordance with Applicable Requirements, shall the Subservicer be entitled to solicit individual Mortgagors for accident, health, life, property and casualty insurance and any other mortgage refinancing or non-mortgage related products or services that the Subservicer and the Owner/Servicer deem appropriate. The Subservicer shall retain any resulting commission or other income in such amounts not to exceed those approved by the Owner/Servicer. The Subservicer covenants to the Owner/Servicer that it shall not solicit any Mortgagor for prepaid single-premium credit life, credit disability, credit unemployment, credit property, accident or health insurance, or any other single-premium insurance product. For the avoidance of doubt, it is understood and agreed that advertising and promotions undertaken by the Subservicer or any Affiliate of the Subservicer which are directed to the general public at large or segments thereof that do not target the Mortgagors, including, without limitation, mass mailing based on commercially acquired mailing lists, newspaper, radio, television advertisements and advertisements and offers appearing to the general public on Subservicer's website, which may also appear on Subservicer's webpages following log-in by consumers (provided such advertisements are not targeted to such consumers), shall not constitute solicitation under this Section 2.14.

Section 2.15. HAMP.

The Subservicer acknowledges that the Mortgage Loans may include mortgage loans modified under HAMP and Mortgage Loans that may now or in the future be subject to other local, state or federal government mortgage-related programs that currently exist or may exist in the future. The Subservicer confirms that it is aware of the special requirements for such Mortgage Loans that currently exist or may exist in the future and the Subservicer agrees to assume the additional responsibilities associated with servicing such Mortgage Loans and to take such actions as are necessary to comply with such programs. With respect to each Mortgage Loan subject to a trial payment period pursuant to HAMP as of the related Transfer Date, the Subservicer shall take all actions required of a servicer participating in HAMP to complete such trial payment period and implement the related loan modification. The Subservicer will cooperate in good faith in connection with any audit, inspection, review, or investigation of the Subservicer's compliance with or reporting under HAMP or other government program related to the Mortgage Loans.

The Owner/Servicer shall take all commercially reasonable actions necessary to enable HAMP fees to be paid to Subservicer.

Section 2.16. Purchase Agreement Obligations.

From time to time during the term of this Agreement, the Owner/Servicer may enter (or has already entered) into certain mortgage servicing rights purchase agreements or similar agreements other than the Transfer Agreement (each such other agreement, an "MSRPA" and collectively, the "MSRPAs") which set forth conditions, qualifications and covenants, and servicing, cooperation, reporting, servicing transfer and qualification requirements that the Owner/Servicer is obligated to meet or obligated to cause its subservicer to meet (the "MSRPA Requirements"). To the extent the Owner/Servicer anticipates utilizing the Subservicer as the subservicer pursuant to this Agreement

for servicing rights purchased pursuant to an MSRPA, the Owner/Servicer shall provide the Subservicer with a copy of the current draft or executed version, as applicable, of such MSRPA (redacted for confidential information) for the Subservicer's review and approval. If (i) the Subservicer notifies the Owner/Servicer of its approval of any such MSRPA (which may be delivered via e-mail), and (ii) solely with respect to MSRPA which have not been executed prior to the Effective Date, the Owner/Servicer executes the same, such MSRPA shall be included as part of Exhibit L to this Agreement, containing all operative MSRPAs relevant hereto. By its approval of any MSRPA, the Subservicer shall be obligated hereunder to perform the obligations of the Owner/Servicer under such MSRPA to the extent necessary to satisfy any such MSRPA Requirements. The Owner/Servicer and the Subservicer shall consider whether such additional MSRPA obligations or loan-level characteristics require revision to the Performance Triggers and shall reflect any agreed upon adjustments in the related Acknowledgment Agreement or other documentation acceptable to the parties.

Section 2.17. Pending and Completed Loss Mitigation.

With respect to the Mortgage Loans, the Subservicer shall (a) accept and continue processing any loan modification, deed in lieu, short sale, or other Loss Mitigation requests pending at the time of the applicable Transfer Date in accordance with Applicable Requirements, (b) honor outstanding trial and permanent loan modification, deeds in lieu, short sales, or other Loss Mitigation agreements in accordance with Applicable Requirements, including without limitation, any trial or permanent loan modifications made under HAMP, and (c) correctly apply payments with respect to Mortgage Loans for which the related Mortgagor is a debtor in a case under Chapter 13 of the United States Bankruptcy Code of 1986, as amended, at the time of the applicable Transfer Date. Owner/Servicer and Subservicer acknowledge and agree that the Mortgagors under the Mortgage Loans subject to any of the modification or loss mitigation actions described in the preceding sentence shall be third party beneficiaries of the obligations in the preceding sentence.

Section 2.18. Disaster Recovery Plan.

The Subservicer shall maintain its current business continuity plan (" BCP") that addresses the continuation of services if an incident (act or omission) impairs or disrupts the Subservicer's obligation to provide the services contemplated under this Agreement, as may be modified from time to time. The Subservicer agrees to provide the Owner/Servicer (and any applicable regulatory agencies having jurisdiction over the Owner/Servicer) with a copy of its entire BCP promptly following the Owner/Servicer's request. The Subservicer warrants that the BCP conforms to Applicable Requirements and generally accepted industry standards for business continuity planning (collectively, the "BCP Standards"), which include, but are not limited to, recovery strategy, loss of critical personnel, restoring access to documents and data to the Owner/Servicer, documented recovery plans covering all areas of operations pursuant to this Agreement, vital records protection, and testing plans. The Subservicer will maintain and test the BCP at regular intervals (no less frequently than annually) to ensure that the BCP complies with BCP Standards and shall provide reporting of the test results to the Owner/Servicer upon request. The Subservicer will comply with the BCP during the term of this Agreement. The Subservicer shall notify the Owner/Servicer promptly of any material modifications to the BCP. To the extent that Subservicer provides such

BCP reporting of test results or notices of material modifications to such BCP to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such BCP reporting of test results or notices of material modifications to such BCP shall be deemed to have been delivered hereunder.

The Subservicer shall provide disaster recovery and backup capabilities and facilities through which it will be able to perform its obligations under this Agreement with minimal disruptions or delays. The recovery strategy shall, at a minimum, provide for recovery after short and long term disruptions in facilities, environmental support, workforce availability and data processing equipment. If requested by the Owner/Servicer, the Subservicer must provide evidence of its capability to meet any applicable regulatory requirement concerning business continuity applicable to the Owner/Servicer or the Subservicer, it being understood that to the extent Subservicer has provided such evidence to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such evidence shall be deemed to have been provided hereunder. The Subservicer shall notify the Owner/Servicer immediately (and in any event, within twelve (12) hours) of the occurrence of any catastrophic event that affects or could affect the Subservicer's performance of the services contemplated under this Agreement.

The BCP shall include appropriate provisions to ensure the continued availability of critical third-party services and to ensure an orderly transition to new service providers should that become necessary. The Subservicer shall comply with the Vendor Oversight Guidance with respect to business continuity plans of Vendors. Subject to Sections 10.17 and 2.4, the Subservicer shall require that any of its Vendors, Off-shore Vendors and Default Firms providing critical services with respect to this Agreement provide copies of their own business continuity plans to the Subservicer and the Subservicer shall make such plans available to the extent set forth in Exhibit Q, it being understood that to the extent Subservicer has provided such plans to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such plans shall be deemed to have been provided hereunder.

Section 2.19. Subservicer Performance Standards.

The Subservicer shall perform its obligations under this Agreement in accordance with the following standards:

(a) The Subservicer shall (i) develop and maintain client management protocols (escalation procedures to be utilized by Owner/Servicer, if needed) as set forth in Exhibit N and (ii) dedicate to its relationship with Owner/Servicer two (2) fulltime employees, who will be available to Owner/Servicer during normal business hours to answer questions, handle requests for information, coordinate change requests, monitor reporting timelines, and to schedule calls with business units in accordance with such protocols, it being understood that Owner/Servicer will coordinate with each NRZ O/S Entity, to the extent possible, in all such interactions with Subservicer and the protocol and dedicated employees applicable to the NRZ O/S Entity relationship under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be applicable to the relationship between Owner/Servicer and Subservicer hereunder.

(b) The Subservicer shall use commercially reasonable efforts to resolve to the reasonable satisfaction of the Owner/Servicer any instances of failure to service the Mortgage Loans in accordance with Applicable Requirements or this Agreement identified by the Owner/Servicer within a reasonable and mutually agreed upon timeframe.

(c) The Subservicer will maintain adequate staffing, training and procedures in fulfillment, collections, Loss Mitigation, customer service, customer complaint, foreclosure, REO and bankruptcy departments in accordance with Applicable Requirements, including without limitation guidance provided by the CFPB and other Governmental Authorities.

(d) The Subservicer will maintain adequate foreclosure/bankruptcy staffing to address market conditions and heightened industry focus on current mortgage servicing issues as it relates to defaulted loans and ownership.

(e) The Subservicer shall input all material information concerning each Mortgage Loan into the Subservicer's servicing system of record and shall image and maintain all correspondence and Subservicing documents it prepares or obtains relating to the Mortgage Loans.

(f) All data and information provided by the Subservicer to the Owner/Servicer or an Investor, or to any other third party at the request or on behalf of the Owner/Servicer pursuant to this Agreement, shall be true, accurate and complete in all material respects; provided, that, the Subservicer shall not be liable for inaccurate information that is based on information provided by the Owner/Servicer, an originator, or a prior servicer (other than the Subservicer or an Affiliate of the Subservicer) unless the Subservicer knew of such inaccuracy or reasonably should have known of such inaccuracy pursuant to Applicable Requirements.

(g) Unless otherwise agreed to by the Subservicer and the Owner/Servicer in a SLA attached hereto, no later than forty-five (45) calendar days after the end of each calendar quarter, the Subservicer shall deliver to the Owner/Servicer the following platform-wide customer service statistics (or such other statistics reasonably requested by the Owner/Servicer): (i) staffing numbers changes, including turnover numbers and outsourced vs. internal; (ii) staffing location changes, including off-shore moves; (iii) advance notice of any outsourcing of consumer-facing staff; (iv) changes to staff scoring methodology; (v) changes to training programs; (vi) numbers of calls/month; (vii) numbers of calls monitored each month; (viii) changes to credit-reporting practice; and (ix) answer times, hold times and other measurements of consumer call performance as reasonably requested by the Owner/Servicer, it being understood that to the extent such statistics have been provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such statistics shall be deemed to have been provided hereunder.

Section 2.20. Sanction Lists; Suspicious Activity Reports.

(a) The Subservicer represents, warrants and covenants that it has, and shall maintain, policies and internal controls reasonably designed to comply with the economic sanctions (the "Sanction Lists") administered or enforced by the U.S. Department of Treasury's Office of Foreign Assets Control ("OFAC") and the requirements of this Section 2.20(a). The Subservicer shall screen all existing Mortgagors and related mortgage participants monthly against the Sanction Lists. The Subservicer's policies shall detail steps (i) to identify and resolve potential matches against the Sanction Lists, and (ii) required for record retention in accordance with regulatory requirements. The Subservicer shall promptly notify the Owner/Servicer of any unresolved potential matches against the Sanction Lists.

(b) The Subservicer represents, warrants and covenants that is has, and shall maintain, policies, training and internal controls reasonably designed to detect and investigate potential suspicious activity and fraud by Mortgagors and related mortgage participants in compliance with the requirements of this Section 2.20(b). The Subservicer will promptly disclose to the Owner/Servicer potentially suspicious or unusual activity detected as part of the services performed on behalf of the Owner/Servicer. The Subservicer represents and warrants that it has processes in place for such escalation and disclosure process. The Subservicer represents that it will coordinate the filing of any necessary Suspicious Activity Reports ("SARs") with respect to the Mortgagors and related mortgage participants with a designated representative of the Owner/Servicer, if appropriate, and will maintain records of all such SARs filed and investigations performed in accordance with regulatory requirements. The Subservicer further represents, warrants and covenants that it has, and shall maintain, policies regarding (i) conducting investigations in a timely manner that is consistent with regulatory expectations and requirements, (ii) maintaining appropriate records for reviews, investigations and escalations, and (iii) if applicable, reviewing requests made pursuant to Section 314(a) of the USA PATRIOT ACT through the Financial Crimes Enforcement Network.

Section 2.21. Litigation Management.

Any litigation related solely to a single Mortgage Loan and incidental to the Subservicer's servicing obligations hereunder (other than litigation between or among the Owner/Servicer, on the one hand, and the Subservicer, on the other hand) shall be managed by the Subservicer or its counsel on behalf of the Owner/Servicer or the Investor, as applicable, such as foreclosure, evictions, quiet title and bankruptcy filings, at the Subservicer's internal expense with respect to administration of such litigation (excluding, however, third party costs such as reasonable out-of-pocket attorneys' fees and expenses for which the Owner/Servicer shall remain responsible and which shall be a Servicing Advance hereunder) unless reimbursed from a third party pursuant to Applicable Requirements. Any and all such proceedings described in this paragraph shall be taken by the Subservicer in its own name on behalf of the Owner/Servicer or the Investor, as applicable.

At any time subsequent to the Effective Date, the parties may mutually agree to specific litigation protocols for the purpose of managing litigation relating to the Mortgage Loans.

Section 2.22. Financial Covenants and Information; Covenant Compliance Reporting; [***].

(a) The Subservicer shall at all times comply with all (i) financial requirements set forth in the applicable Servicing Agreement [***].

(b) On a monthly basis, the Subservicer shall provide the Owner/Servicer with sufficient supporting documentation and backup that will allow the Owner/Servicer to verify and validate that the Subservicer is in compliance with the financial requirements set forth in the applicable Servicing Agreement [***]. No later than the last day of the month (or if such day is not a Business Day, the next succeeding Business Day) after the end of each month, the Subservicer shall provide the Owner/Servicer with a certificate, signed by the chief financial officer of the Subservicer and the Corporate Parent, in the form attached hereto as Exhibit H (the "Monthly Financial Covenant Certification"), with supporting documentation and backup (including but not limited to any interim and audited financial statements prepared by the Subservicer, Corporate Parent's and any accountant engaged by the Subservicer or Corporate Parent) that will allow the Owner/Servicer to verify, validate and corroborate the certifications made in each Monthly Financial Covenant Certification, it being understood that to the extent such a monthly Financial Covenant Certification and supporting documentation have been provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such a monthly Financial Covenant Certification and supporting documentation shall be deemed to have been provided hereunder.

(c) [***]

Section 2.23. PMI Litigation.

The parties agree that Subservicer has the authority to continue engaging in discussions, dealings or other communications with private mortgage insurers solely in connection with existing and active litigations, actions, suits, arbitrations, claims or other proceedings of any kind on or prior to the date hereof brought by Subservicer on behalf of any Investors against such private mortgage insurers related to rescission, denial, cancellation or curtailment of mortgage insurance with respect to any Mortgage Loan (collectively, the "PMI Proceedings"). Such authority is granted without regard to whether the form of such proceeding changes over the course of time. Solely with respect to such PMI Proceedings, the parties further agree that Subservicer has the authority to continue prosecuting legal or other action against such private mortgage insurers and to enter into related settlements in connection therewith.

In connection with any such PMI Proceeding, each party hereto shall reasonably cooperate with the other party in connection therewith (including, without limitation by providing a ratification, agency appointment, consent or authorization to Subservicer, or by assisting the Subservicer in obtaining a ratification, consent or authorization from a trustee, to permit Subservicer to act or continue acting on behalf of Owner/Servicer if Subservicer's authority to proceed with such action or to settle such action is challenged), and make available to the other party, all witnesses, pertinent records, materials and information in such party's possession or under such party's control relating thereto as may be reasonably required by the other party to bring or defend or settle such action, claim or proceeding; provided that, (i) in no event shall the Owner/Servicer be obligated to provide any records, materials and/or information which was previously provided to the Owner/Servicer by the Subservicer and (ii) the Owner/Servicer shall have no obligation to provide any witness to

the extent any witness under the Subservicer's control can provide similar information/testimony. In no event shall the Subservicer make any admissions of liability on the part of the Owner/Servicer.

On a monthly basis and/or as otherwise reasonably requested by Owner/Servicer, the Subservicer shall provide updates on the status of each PMI Proceeding (which updates may be in-person, telephonic or via a secure web meeting) together with copies of any related legal pleadings. The Subservicer shall promptly notify the Owner/Servicer in writing of any material developments or changes in the status of any PMI Proceeding.

ARTICLE III
AGREEMENTS OF THE OWNER/SERVICER

Section 3.1. Transfers to Subservicer.

(a) With respect to any Transfer Date and solely with respect to any Mortgage Loan which is not a Prior Ocwen Serviced Loan, the Owner/Servicer shall deliver the Servicing Transfer In Procedures to the prior subservicer and shall request that such subservicer comply with the Servicing Transfer In Procedures in all material respects. The Subservicer shall work in good faith with prior servicers or subservicers and the Owner/Servicer to finalize and effectuate the Servicing Transfer In Procedures. The Subservicer and the Owner/Servicer shall comply with all Applicable Requirements with respect to servicing transfers, including the CFPB's rules and/or guidelines with respect to servicing transfers, including without limitation its Bulletin 2014-1 issued on August 19, 2014, which may be amended or updated from time to time. The Subservicer and the Owner/Servicer shall provide all reasonable cooperation and assistance as may be requested by the other party in connection with compliance with such requirements, rules and/or guidelines. The Subservicer and the Owner/Servicer shall cooperate after the applicable Transfer Date to promptly resolve all customer complaints, disputes and inquiries related to activities that occurred prior to such Transfer Date or in connection with the transfer of servicing.

(b) With respect to any Mortgage Loan which is not a Prior Ocwen Serviced Loan, pursuant to the Servicing Transfer In Procedures and Applicable Requirements, prior to each Transfer Date, the Subservicer shall use commercially reasonable efforts to obtain the Servicer Transfer Data and the Mortgage Servicing Files from the prior subservicer. The Subservicer may undertake an audit of a sampling of the Servicer Transfer Data and the Mortgage Servicing Files to determine the existence therein of any materially inaccurate or incomplete or missing data, information or documents. If the Subservicer determines, in its reasonable discretion, that there are deficiencies in Servicer Transfer Data or in the related Mortgage Servicing File, the Owner/Servicer and the Subservicer shall cooperate in good faith to cure or correct such deficiencies reasonably necessary for the Subservicer to service the related Mortgage Loans pursuant to this Agreement, subject to reimbursement from Owner/Servicer as set forth in this Section 3.1(b).

(i) For any Mortgage Loan which is not a Prior Ocwen Serviced Loan, the Owner/Servicer may elect to (a) cure or correct any material deficiencies in the Servicer Transfer Data or the related Mortgage Servicing Files, at the expense of the

Owner/Servicer or (b) request that the Subservicer cure or correct such items, in which case the reasonable, actual and documented out-of-pocket costs and expenses or the reasonable, actual and documented internally allocated costs and expenses, as applicable, incurred by the Subservicer in connection with such cure or correction shall be reimbursed by the Owner/Servicer pursuant to Section 2.3(d). To the extent the Owner/Servicer request the Subservicer to cure or correct such items, the Subservicer shall promptly cure or correct such items.

(ii) [Reserved]

(iii) Solely with respect to any Mortgage Loan which is not a Prior Ocwen Serviced Loan, to the extent the Owner/Servicer declines to cure or correct any material deficiencies in the Servicer Transfer Data or the related Mortgage Servicing Files or declines to engage the Subservicer to do so on its behalf or, upon reasonable effort, such deficiencies are not able to be cured or corrected and are reasonably necessary to be cured or corrected for the Subservicer to service the related Mortgage Loans pursuant to this Agreement, then the Subservicer will have the right to reject the obligation to subservice the related Mortgage Loan by providing Owner/Servicer written notice of such rejection within fifteen (15) Business Days after Owner/Servicer declines to cure or correct such deficiencies.

(c) The Owner/Servicer shall cooperate and shall use reasonable efforts to cause the prior subservicer to cooperate with the Subservicer in providing timely responses to inquiries from Mortgagors to the extent information provided with respect to the Mortgage Loans is insufficient to allow the Subservicer to adequately respond without such cooperation.

(d) The Subservicer shall provide the Owner/Servicer with any proposed changes to the Servicing Transfer In Procedures at least sixty (60) days prior to boarding any Mortgage Loans under this Agreement which the Subservicer is not already servicing or subservicing, it being understood that to the extent Subservicer has provided such proposed changes to any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement, such proposed changes shall be deemed to have been provided hereunder. The Subservicer and the Owner/Servicer shall cooperate in good faith to reach agreement on any proposed changes to the Servicing Transfer In Procedures.

Section 3.2. Pay-off of Mortgage Loan; Release of Mortgage Loan Documents.

(a) Upon pay-off of a Mortgage Loan, the Subservicer will request the applicable Mortgage Loan Documents from the Custodian or the applicable Investor, as the case may be, and upon receipt of same will prepare the appropriate discharge/satisfaction documents, and shall request execution of any document necessary to satisfy the Mortgage Loan or shall execute such document pursuant to a limited power of attorney to be provided by the applicable Investor or shall request such document to be executed by the applicable Investor. The Subservicer shall prepare, execute, and record all satisfactions and releases in

accordance with the timeframes and requirements of all Applicable Requirements, and the Subservicer shall reimburse the Owner/Servicer for any and all documented Losses it may incur as a result of the Subservicer's failure to act in accordance with such Applicable Requirements.

(b) In the event the Subservicer prepares a satisfaction or release of a Mortgage without having obtained payment in full (excluding payments in full or other satisfactions as provided for in a Loss Mitigation plan permitted under Applicable Requirements) of the indebtedness secured by the Mortgage or should it otherwise prejudice any enforcement right the related Investor may have under the mortgage instruments, the Subservicer, upon written demand, shall (i) use commercially reasonable efforts to expunge such satisfaction or release or (ii) if such satisfaction or release cannot be expunged by the Subservicer in such timeframe required under Applicable Requirements, the Subservicer shall remit to the Investor, or indemnify and reimburse the Owner/Servicer for, all amounts required to be paid by the Owner/Servicer under Applicable Requirements as a result of such satisfaction or release.

(c) From time to time and as appropriate for the Subservicing (including, without limitation, insurance claims) or foreclosure of each Mortgage Loan, the Owner/Servicer shall cause the Custodian to, upon request of the Subservicer and only upon delivery to the Custodian of an acceptable servicing receipt signed by an authorized employee of the Subservicer, release the portion of the Mortgage Loan Documents held by the Custodian to the Subservicer. If any Mortgage Loan Documents are to be released to a third-party attorney for purposes of facilitating foreclosure, bankruptcy, or litigation proceedings on behalf of the Subservicer or the Investor, the Subservicer must obtain a commercially acceptable attorney bailee agreement from such attorney, a copy which shall be provided to the Custodian on an as-needed basis.

(d) The Subservicer shall return the related Mortgage Loan Documents to the Custodian within a timeframe consistent with applicable industry standards following the time such documents are no longer needed by the Subservicer, unless the Mortgage Loan has been liquidated and the liquidation proceeds relating to the Mortgage Loan have been deposited in the related Custodial Account. The Subservicer shall indemnify the Owner/Servicer pursuant to Section 8.2 for any loss or damage of such Mortgage Loan Documents by the Subservicer or its agents, Vendors, Off-shore Vendors or Default Firms.

Section 3.3. Notices.

(a) With respect to Mortgage Loans that are not Prior Ocwen Serviced Loans, the Owner/Servicer shall cause to be provided servicing transfer notices to the related Mortgagors in a timely manner as may be required under Applicable Requirements, including the Real Estate Settlement Procedures Act, as amended, and CFPB Bulletin 2014-1 issued on August 19, 2014. Within fifteen (15) days following each Transfer Date to the extent required pursuant to the Applicable Requirements, the Subservicer shall deliver to each related Mortgagor a "Welcome Letter" in accordance with Applicable Requirements. Notwithstanding the above, the Owner/Servicer, the Subservicer, and the prior servicer or

subservicer may agree to send in accordance with Applicable Requirements a joint notification to the related Mortgagors regarding the transfer of the servicing function to the Subservicer. The Subservicer and the Owner/Servicer agree that the form of any notice sent to Mortgagors under this Section 3.3(a) shall be subject to approval by the Owner/Servicer and the Subservicer, not to be unreasonably withheld or delayed.

(b) The Subservicer shall furnish to each Mortgagor each notice (including all required privacy notices, cover letters or other related correspondence) that the Owner/Servicer determines is required to be provided to such Mortgagors in accordance with, and in a form consistent with, Applicable Requirements. In the event the Owner/Servicer requests that the Subservicer provide the annual privacy notice on the Owner/Servicer's behalf, the Owner/Servicer shall provide the Subservicer with its form notice (and related correspondence for privacy notices) to be furnished to each Mortgagor and reimburse Subservicer for the incremental out-of-pocket printing and mailing expense, provided that Subservicer shall provide Owner/Servicer with a good faith estimate of such expense prior to commencing such mailing. The Subservicer shall not make any material changes to the forms of privacy notice or other related correspondence for privacy notices without the prior approval of the Owner/Servicer. The Subservicer shall comply with all applicable federal and state requirements relating to privacy notices and shall provide the Owner/Servicer upon request with its policies and procedures for complying with Applicable Requirements relating to privacy notices. Any Subservicer privacy notice sent pursuant to this Agreement shall be at the sole cost and expense of the Subservicer without reimbursement. Solely with respect to any relationship letter the Owner/Servicer requests be mailed, which may be effectuated through a stand-alone mailing or via insertion in any Mortgagor's monthly statement, the Owner/Servicer shall pay the incremental costs incurred by the Subservicer with respect to the creation of such letter and the mailing and/or insertion of such letter in the applicable monthly statement. The Subservicer shall track and provide quarterly reporting to the Owner/Servicer regarding privacy notices on a loan level basis, including (i) the date the initial and annual privacy notices are mailed to each Mortgagor and (ii) relevant data and information regarding opt-out and opt-in states and elections made by the related Mortgagors.

(c) The Subservicer shall include in the related Mortgage Servicing File a copy of each notice furnished to a Mortgagor pursuant to this Section 3.3.

Section 3.4. Mortgagor Requests.

The Subservicer shall process requests for partial releases, easements, substitutions, division, subordination, alterations, waivers of security instrument terms, or similar matters in accordance with Applicable Requirements and the Subservicer shall provide a monthly report identifying such processed requests (other than partial releases), it being understood that Subservicer may combine any such reporting with the reporting provided to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and delivery of such reporting to such NRZ O/S Entity under such NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement shall be deemed to constitute delivery hereunder.

Section 3.5. Power of Attorney.

The Subservicer shall prepare and request the applicable Investors to execute limited powers of attorney that are reasonably necessary in connection with the Subservicing of the Mortgage Loans under the applicable Servicing Agreement. The Owner/Servicer shall cooperate with the Subservicer as necessary to obtain such limited powers of attorney from the applicable Investors. Upon request of Subservicer, the Owner/Servicer shall execute a mutually agreed upon number of limited powers of attorney substantially in the form set forth in Exhibit M hereto and provide such original executed limited powers of attorney to the Subservicer for use in connection with the servicing activities contemplated in this Agreement. The Owner/Servicer agrees to provide additional original executed limited powers of attorney as may be requested by the Subservicer from time to time.

Section 3.6. Affiliated Transactions.

The Owner/Servicer shall comply with its internal policies and procedures concerning transactions with affiliates and related parties in connection with the transactions hereunder.

ARTICLE IV
COMPENSATION

Section 4.1. Subservicing Compensation.

On or prior to each Reporting Date, the Subservicer shall provide the Owner/Servicer, in an electronic format, a monthly report containing data elements detailing all the Owner/Servicer Economics, the Owner/Servicer Expenses and the Subservicer Economics (the "Reconciliation Report") as set forth in the related Formatted Servicing Report; it being understood that the amounts described in clauses (iv) and (v) of Owner/Servicer Economics, and Owner/Servicer Expenses, may relate to prior periods. Pursuant to Section 2.8(f), the Subservicer shall provide the Owner/Servicer with sufficient information to reflect the calculation (daily and monthly, as applicable) of the Owner/Servicer Economics, the Owner/Servicer Expenses and the Subservicer Economics, including the fees payable to the Subservicer by the Owner/Servicer under this Agreement. Unless separate reporting is requested by Owner/Servicer, Subservicer may combine the Reconciliation Report and any supporting materials required to be delivered hereunder with the "Reconciliation Report" and supporting materials as defined in and delivered pursuant to the relevant NRZ Servicing/Subservicing Agreements. or the NRM Agency Subservicing Agreement

The Owner/Servicer shall pay all non-disputed amounts of the Subservicer Economics and all non-disputed amounts of Owner/Servicer Expenses on a monthly basis, in arrears, on the later of the last Business Day of each month and five (5) Business Days following receipt of the Reconciliation Report, and if reasonably necessary, additional information to confirm and reconcile the Owner/Servicer Economics, Owner/Servicer Expenses and the Subservicer Economics relating to the applicable periods included in the Reconciliation Report, subject to Section 4.3. To the extent (i) the Owner/Servicer does not pay all non-disputed amounts of the Subservicer Economics within the applicable timeframe set forth in the prior sentence or any amounts owed to the Subservicer hereunder within the timeframe set forth herein (or if not set forth, within two (2) Business Days of Subservicer notifying Owner/Servicer of such amounts being owed) and (ii) the Subservicer

provided the Owner/Servicer at least two (2) Business Days' prior notice of its intention to net such non-disputed amounts, the Subservicer is entitled net and retain all such non-disputed amounts of the Subservicer Economics from the applicable remittance Subservicer makes to the Owner/Servicer pursuant to Section 2.8(f); provided, further, that the Subservicer may not net or set-off against any portion from the applicable remittance Subservicer makes to the Owner/Servicer pursuant to Section 2.8(f) that have been sold and/or pledged by the Owner/Servicer in connection with a financing or securitization involving such remittance, including, without, limitation any servicing advance facility or servicing rights financing, in each case except as expressly permitted in writing by the applicable transaction agreements or the applicable purchaser, lender or secured party.

With respect to disputed amounts of the Subservicer Economics, the parties shall follow the procedures set forth in Section 4.3 for resolution of disputes to the extent not otherwise resolved.

The Subservicer shall be entitled to all amounts, to the extent paid, allowed to a servicer from time to time by any governmental or quasi-governmental programs or PMI Companies, as applicable, for engaging in Loss Mitigation with respect to the Mortgage Loans. The Owner/Servicer shall be entitled to the Float Benefit, which amounts (i) shall be remitted by the Subservicer to the Owner/Servicer as part of the Owner/Servicer Economics pursuant to Section 2.8(f) to the extent the applicable Custodial Account(s) or Escrow Account(s) are not in the name of the Owner/Servicer and (ii) Owner/Servicer shall withdraw directly from the applicable Custodial Account(s) or Escrow Account(s) to the extent the applicable Custodial Account(s) or Escrow Account(s) are in the name of the Owner/Servicer. The Subservicer shall be entitled to Ancillary Income and, pursuant to its reporting obligations hereunder, provide to the Owner/Servicer information and data related to the Ancillary Income received and/or paid to the Subservicer. The Subservicer shall provide or make available to the Owner/Servicer its schedule of Ancillary Income charged to the Mortgagors on a quarterly basis in an acceptable searchable electronic format that allows for comparison of the current schedule of Ancillary Income against the schedule of Ancillary Income from the prior quarterly period. Unless separate reporting is requested by Owner/Servicer, Subservicer may combine any reporting with respect to Ancillary Income required to be delivered hereunder with the reports it delivers to any NRZ O/S Entity under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement.

Except as otherwise set forth in this Agreement, the Subservicer and the Owner/Servicer shall each be required to pay all expenses incurred by each, respectively, in connection with their respective performance of obligations hereunder, including but not limited to their respective overhead costs and employee salaries.

Section 4.2. Due Date of Payments; Penalties.

In the event either party fails to make a required payment under this Agreement to the other party, the owing party shall be required to pay the other party a finance charge on such amount for each day such payment is delinquent at an annual rate equal to one percent (1%) over the Prime Rate, but in no event greater than the amount permitted by applicable law. Such interest shall be paid by the applicable party on the date such late payment is made and shall cover the period commencing with the day following the Business Day on which such payment was due and ending with the Business Day on which such payment is made, both inclusive. The payment by Subservicer

of any such interest shall not be deemed an extension of time for payment or a waiver of any rights the Owner/Servicer has under this Agreement. Subservicer shall be responsible for late payment interest or penalties incurred as a result of any late remittances made by Subservicer with respect to any of the Servicing Agreements, provided that the late remittance was not the result of the Owner/Servicer failing to timely make any required payments under this Agreement.

Section 4.3. Resolution of Disputes and Monetary Errors.

In the event either party, in good faith, disputes any sum the other party contends are due and payable hereunder, such disputing party shall deliver to the contending party a written notice explaining the justification for such dispute in sufficient detail to permit the contending party to evaluate and respond to such dispute, together with any documentation available to such disputing party to support such dispute. All sums that are not disputed shall be paid as and when due under this Agreement. If the contending party demonstrates that the disputed amount is properly due and payable, including by providing supporting documentation and/or analysis, the disputing party shall pay such amount within five (5) Business Days after receipt of such documentation. If the disputing party continues to dispute all or any portion of such amount and the parties cannot thereafter reconcile such dispute within a reasonable period of time not to exceed thirty (30) days, the contending party shall be entitled, upon ten (10) days' written notice to the disputing party, to submit such matter to a dispute resolution process (other than litigation) and if such amounts are subsequently determined to be proper, contending party shall be entitled to recover as part of its claim its reasonable, out of pocket costs and expenses, including reasonable out-of-pocket attorneys' fees, incurred in prosecuting such claim with interest on the disputed amount at an annual rate of five percent (5%) over the Prime Rate, but in no event greater than the amount permitted by applicable law. If such disputed amounts are subsequently determined not to be due and payable to the contending party, the disputing party shall be entitled to recover as part of its claim its reasonable out-of-pocket costs and expenses, including attorneys' fees, incurred in connection with prosecuting such claim.

ARTICLE V
TERM AND TERMINATION

Section 5.1. Term.

(a) The initial term of this Agreement shall be from the date hereof and shall expire on July 25, 2022 (the "Initial Term"). Except as otherwise set forth in this Section 5.1, Section 5.6 and Section 5.7(c), the Subservicer shall not be permitted to terminate this Agreement prior to the expiration of the Initial Term. If this Agreement has not otherwise been terminated pursuant to this Article V, then the term of this Agreement for the Subservicer shall automatically be renewed for successive one (1) year terms after the expiration of the Initial Term. The Subservicer shall not resign from the obligations and duties hereby imposed on it, except upon determination that its duties hereunder are no longer permissible under applicable law and such incapacity cannot be cured by Subservicer or the Owner/Servicer. If Subservicer terminates this Agreement pursuant to Section 5.6, such termination shall be treated as a termination without cause by Owner/Servicer under this Agreement. If Subservicer resigns, such resignation of the Subservicer shall be treated as a termination for cause by Owner/Servicer under this Agreement. Any such determination that Subservicer's

duties hereunder are no longer permissible under applicable law shall be evidenced by an opinion of counsel written by a law firm reasonably acceptable to Owner/Servicer to such effect in form and substance reasonably acceptable to Owner/Servicer.

(b) During the Initial Term, the Owner/Servicer may terminate this Agreement in whole, but not in part (unless otherwise expressly permitted pursuant to this Agreement) for convenience, by delivering written notice of such termination to the Subservicer. Following the Initial Term, the term of this Agreement may be extended by the Owner/Servicer for successive three (3) month renewal periods (which, if extended, shall commence on the expiration date of the then-current term and end on the calendar day that is the three (3) month anniversary of the preceding term's expiration date (or if such day is not a Business Day, on the first Business Day immediately following such day)), by delivering written notice of such three month extension (which may be by electronic mail). Such notice shall be delivered at least thirty (30) calendar days preceding such extension (or if such day is not a Business Day, the first Business Day immediately preceding such day), provided that any such extension notice that is delivered prior to the expiration of the then current term shall be effective. Unless earlier terminated pursuant to any other provision in this Article V, this Agreement shall terminate at the expiration of the then-current term if the Owner/Servicer fails to notify the Subservicer of a three (3) month extension prior to such expiration.

(c) The Subservicer may terminate this Agreement at the end of the Initial Term or at the end of any subsequent one year term, in whole but not in part upon written notice to the Owner/Servicer at least two-hundred twenty five (225) days prior to the end of the applicable term.

(d) Any Mortgage Loans removed from a Servicing Agreement pursuant to the exercise of an early termination or other reconstitution provision and (i) included in a Securitization Transaction (a "Resecuritized Transaction") where the applicable Securitization Servicing Agreement or Interim Servicing Agreement is reasonably acceptable to the Subservicer shall be removed from this Agreement and shall be serviced by the Subservicer pursuant to such Securitization Servicing Agreement or Interim Servicing Agreement, as applicable, or (ii) not included in the related Securitization Transaction shall be removed from this Agreement and shall be serviced by the Subservicer under an Interim Servicing Agreement. For the avoidance of doubt, no Termination Fee, deboarding fee or other compensation (other than accrued Subservicer Economics) shall be payable to Subservicer for a termination under this Section 5.1(d). The Subservicer shall use its best efforts to remain in good standing with the Rating Agencies and otherwise comply with the requirements of Rating Agencies. With respect to any Resecuritized Transaction in which the Subservicer has agreed to execute the applicable Securitization Servicing Agreement but is otherwise not permitted to service in such Resecuritized Transaction solely as a result of the requirement of the related Rating Agency (which is rating such Resecuritized Transaction) (in either case, a "Barred Transaction"), the Owner/Servicer shall use reasonable efforts to consult with the applicable Rating Agencies and reasonably advocate for the Subservicer's participation in such Barred Transaction (and such participation does not have, or result in, any adverse impact or effect on the Owner/Servicer, the related Barred

Transaction and/or the securities being issued thereunder). The Owner/Servicer shall not select any Rating Agency with the sole intention of excluding the Subservicer from participating in a Barred Transaction. If the Owner/Servicer determines, in the Owner/Servicer's reasonable discretion (as supported by reasonable documentation or analysis provided by the Owner/Servicer to Subservicer in writing), that retaining Subservicer to service loans in a Resecuritized Transaction could have a material adverse impact on the related Resecuritized Transaction and/or the securities being issued thereunder, then the Owner/Servicer shall not be obligated to utilize the Subservicer in such Resecuritized Transaction, in which event the Subservicer shall interim service such Mortgage Loans pursuant to the terms of this Agreement until the transfer of servicing to the successor servicer. If the Owner/Servicer determines, in the Owner/Servicer's reasonable discretion, that retaining Subservicer to service loans in a Resecuritized Transaction does not have a material adverse impact on the related Resecuritized Transaction and/or the securities being issued thereunder and, accordingly, elects not to retain the Subservicer in such Resecuritized Transaction, (i) the Subservicer shall interim service such Mortgage Loans pursuant to the terms of this Agreement until the transfer of servicing to the successor servicer and (ii) the Owner/Servicer shall pay the applicable Exit Fee on the date that the related transfer of servicing to the successor servicer is completed. Notwithstanding any provision in this Agreement to the contrary, the Owner/Servicer may terminate this Agreement with respect to one or more Mortgage Loans which are not Prior Ocwen Serviced Loans, in which event the Subservicer shall interim service such Mortgage Loans pursuant to the terms of this Agreement until the transfer of servicing to the successor servicer; provided that, the Owner/Servicer shall provide the Subservicer with at least forty five (45) days' written notice prior to such termination and transfer of servicing to a successor servicer.

(e) This Agreement shall otherwise terminate upon the earliest of (i) the distribution of the final payment on or liquidation of the last Mortgage Loan and REO Property subject to this Agreement or (ii) as otherwise set forth in this Article V.

Section 5.2. [Reserved].

Section 5.3. Termination with Cause.

(a) The Owner/Servicer may terminate this Agreement immediately for cause, in whole, but not in part (except with respect to clause (C) of Section 5.3(a)(xviii)), by providing written notice of its intent to terminate Subservicer based on any of the following events (each such event and any other event mutually agreed upon by the parties, a "Subservicer Termination Event"), which as of the date of such notice, shall not have been waived in writing:

(i) any failure by the Subservicer to remit the Owner/Servicer Economics or any other payment due the Owner/Servicer pursuant to this Agreement (including, but not limited to, any Average Third Party Mark Payment or any Investor payment with respect to the Mortgage Loans) not in dispute pursuant to Section 4.3, which failure continues unremedied for a period of two (2) Business Days after the

date on which such payment was required to be remitted under the terms of this Agreement or Applicable Requirements, as applicable;

(ii) any failure by the Subservicer to provide to the Owner/Servicer (1) any Critical Report unless such failure to deliver a Critical Report was a direct result of Owner/Servicer's or any NRZ O/S Entity's failure to provide material information (which was not in the possession or control of the Subservicer) necessary to complete such Critical Report, which failure continues unremedied for a period of five (5) Business Days following the date such Critical Report was due and/or (2) any Owner/Servicer Regulatory Reports, which failure continues unremedied for a period of five (5) Business Days following the date such Owner/Servicer Regulatory Report was due;

(iii) (A) [***] and/or (B) deliver the Monthly Financial Covenant Certification to the Owner/Servicer within the timeframes set forth in Section 2.22, which failure in the case of clause (B) continues unremedied for a period of five (5) Business Days;

(iv) any default and/or failure by Subservicer to duly observe or perform, in any material respect, any covenants, obligations or agreements of Subservicer set forth in this Agreement (including the Schedules and Exhibits hereto), to the extent such default or failure is susceptible of being cured, irrespective of the date on which the covenant or obligation was to be performed or observed, continues unremedied for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Subservicer by the Owner/Servicer;

(v) any representation or warranty made by the Subservicer hereunder shall prove to be untrue or incomplete in any material respect and such representation or warranty continues unremedied for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Subservicer by the Owner/Servicer;

(vi) the Subservicer shall fail to comply in any material respect with any audit procedures pursuant to Section 2.11(b) or (e) of this Agreement, which failure continues unremedied for a period of seven (7) Business Days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Subservicer by the Owner/Servicer and such failure to deliver could be reasonably expected to result in a material Loss by, or have a material adverse effect on, Owner/Servicer;

(vii) a decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator or other similar official in any insolvency, bankruptcy, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Subservicer and/or the Corporate Parent

and such decree or order shall have remained in force, undischarged or unstayed for a period of forty-five (45) days;

(viii) the Subservicer and/or the Corporate Parent shall (i) consent to the appointment of a conservator, receiver, or liquidator in any insolvency, readjustment of debt, marshaling of assets and liabilities, or similar proceedings of or relating to the Subservicer's and/or the Corporate Parent's property or relating to all or substantially all of the Subservicer's and/or the Corporate Parent's property or (ii) admit in writing its inability to pay its debt as it becomes due, admit in writing its intention not to perform any of its obligations, file a petition to take advantage of any applicable insolvency or bankruptcy statute, voluntarily suspend payment of any of its obligations, or make an assignment for the benefit of its creditors;

(ix) (A) the Subservicer shall cease being an approved subservicer/servicer in good standing with any Agency or Governmental Entity or a HUD approved mortgagee or (B) any Governmental Entity or HUD provides a written notice of termination to the Subservicer;

(x) Either (i) the occurrence and continuation of a default of any payment of any amounts due under any Material Debt Agreement (after any applicable grace period) or (ii) the occurrence and continuation of a default under a Material Debt Agreement resulting in the acceleration or prepayment thereof;

(xi) any admission by the Subservicer or the Corporate Parent or the final determination of material wrongdoing in connection with any regulatory action commenced by a Governmental Authority (i) that has a Material Adverse Effect on the Owner/Servicer, New Residential Investment Corp., the Servicing Rights and/or the Servicing Advances and/or P&I Advances related thereto or (ii) in which any investor, lender or other counterparty to New Residential Investment Corp.'s financing or lending arrangement of Servicing Rights, "excess spread", Servicing Advances and/or P&I Advances makes a breach or default claim under such financing or lending arrangement in writing and such Person(s) have the sufficient right and/or own (or control) a sufficient portion of the investment under such arrangement to declare or direct another party to declare a default thereunder;

(xii) a Change of Control has occurred with respect to the Subservicer and/or the Corporate Parent, unless such change of control results from the acquisition of stock or voting interests by Owner/Servicer or any of its Affiliates;

(xiii) the Subservicer and/or Corporate Parent attempts to assign its rights to servicing compensation hereunder without the consent of the Owner/Servicer;

(xiv) any report required herein contains materially inaccurate data or information that has a Material Adverse Effect on the Owner/Servicer, New Residential Investment Corp., the Servicing Rights, P&I Advances and/or the Servicing Advances; provided, that such inaccuracy is not the direct result of

inaccurate data or information provided to the Subservicer by any NRZ O/S Entity or New Residential Investment Corp., or a third party appointed by any NRZ O/S Entity or New Residential Investment Corp.;

(xv) as of any date of determination, the unpaid principal balance of Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement) with respect to which a Termination Party has, other than in connection with any Solicitations to Terminate which has not resulted in a vote or direction to terminate, delivered written notification of intent to terminate or notice of termination or otherwise directed or initiated the process of terminating the Owner/Servicer, NRM and/or Subservicer in writing ("PSA Termination Notice"), in the aggregate, equals or exceeds [***] of the Measurement Balance, in each case, due to Subservicer's failure to service in accordance with the terms of this Agreement and/or any NRZ Servicing/Subservicing Agreement; provided, however that, the unpaid principal balance with respect to a Servicing Agreement will not be counted toward the [***] threshold referenced in this Section 5.3(a)(xv) if the related Termination Party delivered the related PSA Termination Notice solely as a result of Subservicer's compliance with a written direction from Owner/Servicer in accordance with Section 2.3 hereof or the written direction of any NRZ O/S Entity in accordance with Section 2.3 of any NRZ Servicing/Subservicing Agreement; provided that no termination shall be permitted unless any applicable cure period in the related Servicing Agreement has expired and the related Termination Party has not withdrawn such notification;

(xvi) as of any date of determination, the unpaid principal balance of Measurement Loans (other than any Mortgage Loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement) with respect to which a Termination Party has sent a solicitation for a vote or request for direction from or on behalf of Investors regarding the termination of Owner/Servicer or NRM as servicer under the related Servicing Agreement (a "Solicitation to Terminate"), in the aggregate, equals or exceeds [***] of the Measurement Balance, in each case (A) from a Termination Party and (B) due to Subservicer's failure to service in accordance with the terms of this Agreement and/or any NRZ Servicing/Subservicing Agreement; provided, however that, the unpaid principal balance with respect to a Servicing Agreement will not be counted toward the [***] threshold referenced in this Section 5.3(a)(xvi) if the related Termination Party delivered the related Solicitation to Terminate solely as a result of Subservicer's compliance with a written direction from Owner/Servicer in accordance with Section 2.3 hereof or the written direction of any NRZ O/S Entity in accordance with Section 2.3 of any NRZ Servicing/Subservicing Agreement; provided, further that a Solicitation to Terminate shall no longer be included in calculating the [***] threshold on the earlier of the date the Termination Party indicates that it will pursue no action or provides notification indicating that such Solicitation to Terminate has not resulted in a vote to terminate or direction to terminate Owner/Servicer or NRM as servicer under the related Servicing Agreement and 135 days following the date of the Solicitation to

Terminate if such Solicitation to Terminate has not resulted in a vote to terminate or direction to terminate Owner/Servicer or NRM as servicer under the related Servicing Agreement;

(xvii) either (A) the publicly filed annual financial statements or the notes thereto or other opinions or conclusions stated therein of New Residential Investment Corp. or Owner/Servicer shall indicate that New Residential Investment Corp. or Owner/Servicer, as applicable, has a "material weakness" and/or "significant deficiency", or (B) if not publicly filed because not a publically registered entity, the annual financial statements or the notes thereto or other opinions or conclusions stated therein of New Residential Investment Corp. or Owner/Servicer, as applicable, shall indicate that New Residential Investment Corp. or Owner/Servicer has a "material weakness", which, in any such case is caused by either (i) inaccurate information provided by the Subservicer or Corporate Parent and relied upon by the Owner/Servicer or New Residential Investment Corp., as applicable, or (ii) the processes, practices or procedures of the Subservicer or the Corporate Parent;

(xviii) (A) the Owner/Servicer shall cease being an approved subservicer/servicer in good standing with any Agency or Governmental Entity or a HUD approved mortgagee and the applicable Agency or Governmental Entity or HUD identifies the Subservicer's or the Corporate Parent's acts, omissions, processes, practices and/or procedures as a basis from which such action resulted, arose out of or was related to; (B) any act or omission of the Subservicer or the servicing practices or procedures of Subservicer or the Corporate Parent results in any Agency or Governmental Entity or HUD providing a written notice of termination to the Owner/Servicer; or (C) any State Agency withdraws or causes Owner/Servicer to fail to maintain any required qualification, license or approval to do business, to service residential mortgage loans, or to otherwise collect debts or perform any activities relating to residential mortgage loans in any jurisdiction where such State Agency has jurisdiction, provided that, solely with respect to this clause (C), Owner/Servicer may terminate this Agreement pursuant to this clause (C) only with respect to the Mortgage Loans in the applicable state where such State Agency has jurisdiction;

(xix) the Subservicer's or Corporate Parent's management discloses in their respective quarterly or annual financial statements that there is substantial doubt about its ability to continue as a going concern; provided, however, that such substantial doubt is not based in material part on the potential early termination of any of the transactions contemplated by this Agreement, the NRM Agency Subservicing Agreement or by any NRZ Servicing/Subservicing Agreement;

(xx) failure of the Subservicer to maintain any required qualification, license or approval to do business, to service residential mortgage loans, or to otherwise collect debts or perform any activities relating to residential mortgage loans in any jurisdiction where the Mortgaged Properties are located, to the extent required under Applicable Requirements; provided that, Owner/Servicer may

terminate this Agreement pursuant to this Section 5.3(a)(xx) only with respect to the Mortgage Loans in the applicable state where the Subservicer failed to maintain such qualification, license or approval;

(xxi) the occurrence of a Performance Trigger;

(xxii) [***]; or

(xxiii) the occurrence of a Subservicer Termination Event or Seller Termination Event, in each case, as defined in the applicable NRZ Servicing/Subservicing Agreement, with respect to which the applicable NRZ O/S Entity has exercised remedies thereto; provided, however, that if Owner/Servicer exercises its right to terminate the NRZ Servicing/Subservicing Agreement with respect to all of the mortgage loans subserviced thereunder following a Subservicer Termination Event or Seller Termination Event thereunder, Owner/Servicer shall be deemed to automatically exercise its remedies related to this clause (xxiii) and this Agreement shall terminate in accordance with the terms hereof; provided, further however, if (1) a Subservicer Termination Event or Seller Termination Event exists under the applicable NRZ Servicing/Subservicing Agreement only with respect to a portion of the related mortgage loans subject thereunder (and not with respect to all of the mortgage loans subserviced thereunder) and (2) either (x) to the extent expressly permitted pursuant to such NRZ Servicing/Subservicing Agreement, NRM exercises its remedies thereunder only with respect to a portion of the related mortgage loans subject thereunder (and not with respect to all of the mortgage loans subserviced or serviced thereunder) or (y) NRM does not exercise its remedies thereunder but an Investor terminates NRM as NRZ O/S Entity with respect to such mortgage loans (and not with respect to all of the mortgage loans subserviced or serviced thereunder), then, in each case, the proviso in this clause (xxiii) relating to Owner/Servicer being deemed to automatically exercise its remedies related to this clause (xxiii) shall not apply.

provided, however, that notwithstanding the foregoing, if Subservicer has provided Owner/Servicer a written notice of its intent to terminate this Agreement with cause pursuant to Section 5.6 or of Subservicer's intent to terminate any NRZ Servicing/Subservicing Agreement pursuant to Section 5.6 thereof or Owner/Servicer has provided written notice of its intent to terminate this Agreement pursuant to Section 5.1(b), or any NRZ O/S Entity has provided notice to Subservicer of its intent to terminate any NRZ Servicing/Subservicing Agreement pursuant to Section 5.1(b) thereof, the Owner/Servicer may not terminate the Subservicer for cause pursuant to any of Sections 5.3(a)(iii), (x), (xvii) or (xix) if the event specified in such subsection was based in material part on such notice of intent to terminate; provided, further however, that if a Subservicer Termination Event is cured or is no longer continuing, such event shall cease to be a Subservicer Termination Event upon the date that is six (6) months following the later of (i) the date such Subservicer Termination Event was cured or ceases to continue and (ii) the date Owner/Servicer received notice or otherwise became aware of such Subservicer Termination Event.

(b) If an NRZ O/S Entity terminates an NRZ Servicing/Subservicing Agreement with respect to all of the mortgage loans subserviced thereunder for convenience pursuant to Section 5.1(b) (and not with respect a portion of the related mortgage loans as permitted by Section 5.1(d)) within twelve (12) months following the later of (i) the closing date of the acquisition of Owner/Servicer by New Residential Corp. or any of its Affiliates or (ii) the Effective Date, unless otherwise agreed to by Subservicer, Owner/Servicer shall concurrently terminate this Agreement for convenience pursuant to Section 5.1(b); provided, however, if an NRZ Servicing/Subservicing Agreement is terminated solely with respect to a portion of the related mortgage loans subject to such NRZ Servicing/Subservicing Agreement as permitted by Section 5.1(d) (and not with respect to all of the mortgage loans subserviced thereunder), this clause (b) shall not apply and the Agreement shall not be terminated.

(c) Each party shall promptly notify the other party in the event of any breach or anticipated breach by the notifying party of its obligations under this Agreement or any event of default or anticipated event of default or other termination event with respect to such party set forth in this Agreement.

(d) The rights of termination, as provided herein, are in addition to all other available rights and remedies, including the right to recover damages in respect of any breach.

Section 5.4. Reimbursement upon Expiration or Termination; Termination Assistance.

(a) If Owner/Servicer:

(i) terminates this Agreement "for cause" pursuant to Section 5.3, Subservicer (A) shall reimburse the Owner/Servicer for Owner/Servicer's Servicing Transfer Costs incurred in connection with transferring the servicing to a successor servicer or subservicer, (B) shall reimburse the Owner/Servicer for any boarding fees of the subsequent servicer which shall be capped at $[***] per Mortgage Loan/REO Property and (C) shall not be entitled to any Termination Fee, deboarding fees or reimbursement of its Servicing Transfer Costs;

(ii) terminates this Agreement "for convenience" pursuant to Section 5.1(b), the Owner/Servicer shall remit to the Subservicer (A) solely if the Effective Date of Termination occurs during the Initial Term, an amount equal to the applicable Termination Fee and (B) irrespective of whether the Effective Date of Termination occurs during the Initial Term, the greater of $[***] per Mortgage Loan/REO Property and Subservicer's Servicing Transfer Costs incurred in connection with transferring the servicing to a successor servicer or subservicer; or

(iii) does not extend the term of this Agreement at the end of the Initial Term or any three-month renewal term thereafter, (A) Owner/Servicer and Subservicer shall each pay 50% of the aggregate Servicing Transfer Costs incurred

by both parties in connection with transferring the servicing to a successor servicer or subservicer, (B) neither party shall be responsible for paying any deboarding or boarding fees, and (C) Subservicer shall not be entitled to any Termination Fee.

To the extent the Owner/Servicer is obligated to pay the Termination Fee as set forth above, the Owner/Servicer shall remit to the Escrow Agent, to be held by the Escrow Agent in accordance with the Escrow Agreement, one-hundred percent (100%) of the applicable Termination Fee Deposit Amount (as defined and calculated in accordance with Exhibit C-2) in immediately available funds at least one (1) Business Day prior to the Subservicer sending the related transferor's notice of transfer of servicing or "goodbye letter" in accordance with the requirements of applicable law solely to the extent the Subservicer has complied and completed all of the servicing transfer requirements set forth in Part I of Exhibit S required to be performed on or before such date thereof; provided that Subservicer shall have no obligation to send any such notices until the Escrow Agent verifies to Subservicer that the Termination Fee Deposit Amount has been received. The Escrow Agent shall pay the Subservicer (i) fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer and its third party vendor handling the mailing that the Subservicer has sent the related transferor's notice of transfer of servicing or "goodbye letter" and (ii) the remaining fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer that the Subservicer has completed the Servicing Transfer Requirements set forth in Part III of Exhibit S attached hereto and including the federal reference numbers and wire amounts for the funds required to be remitted in accordance with such Servicing Transfer Requirements. The Subservicer shall send a copy of each of the deliverables under the Servicing Transfer Requirements to the Owner/Servicer at the same time it delivers such deliverable to the applicable successor servicer or subservicer. Owner/Servicer may elect to wait to transfer the servicing with respect to certain Servicing Agreements if the transfer of such Servicing Agreements would result in the unpaid principal balance of the Mortgage Loans that would remain subject to this Agreement following such transfer to be less than ten percent (10%) of the unpaid principal balance of all of the Mortgage Loans subject to this Agreement on the Effective Date of Termination. The Subservicer and Owner/Servicer shall use their best efforts to cooperate to enter into an Escrow Agreement containing the terms as set forth in this paragraph prior to the applicable date a payment is required to be made to the Escrow Agent as described in this paragraph and, to the extent such actions have been taken by any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement, the Owner/Servicer and Subservicer may agree to aggregate such actions. Notwithstanding anything to the contrary set forth in this Agreement, the Subservicer shall not be entitled to receive any Termination Fee to the extent the Effective Date of Termination occurs after the Initial Term.

In addition, in connection with any of the terminations described in this Section 5.4(a), Owner/Servicer shall pay to the Subservicer an amount equal to the sum of (i) all unreimbursed Servicing Advances and P&I Advances for which Subservicer is entitled to

reimbursement under this Agreement (other than any amounts being disputed in accordance with Section 4.3) and (ii) all unpaid Subservicer Economics which have accrued as of the date the servicing transfers to a successor servicer or subservicer ("Successor Transfer Date") (other than any amounts being disputed in accordance with Section 4.3). Other than with respect to the Termination Fee, if applicable, all amounts payable or reimbursable under this Section 5.4(a) shall be paid or reimbursed on the applicable Successor Transfer Date based on customary practices of estimation and true-up. To the extent that any such amounts are not known and/or invoiced by the party entitled to payment prior to the Successor Transfer Date, such amounts shall be paid or reimbursed to the party entitled to payment within ten (10) Business Days of the other party's receipt of an invoice therefore, together with any documentation required pursuant to this Agreement.

In addition, upon termination of this Agreement, subject to the foregoing, the Owner/Servicer and the Subservicer shall pay or reimburse the other party any other amounts due under this Agreement.

(b) If Subservicer:

(i) terminates this Agreement "for cause" pursuant to Section 5.6, Owner/Servicer (A) shall reimburse the Subservicer for Subservicer's Servicing Transfer Costs incurred in connection with transferring the servicing to a successor servicer or subservicer, (B) shall pay Subservicer a deboarding fee equal to $[***] per Mortgage Loan/REO Property and (C) solely if the Effective Date of Termination occurs during the Initial Term, shall pay Subservicer an amount equal to the applicable Termination Fee;

(ii) resigns pursuant to Section 5.1(a), Subservicer (A) shall reimburse the Owner/Servicer for Owner/Servicer's Servicing Transfer Costs incurred in connection with transferring the servicing to a successor servicer or subservicer, (B) shall reimburse the Owner/Servicer for any boarding fees of the subsequent servicer which shall be capped at $[***] per Mortgage Loan/REO Property and (C) shall not be entitled to any Termination Fee, deboarding fees or reimbursement of its Servicing Transfer Costs; or

(iii) terminates this Agreement at the end of the Initial Term pursuant to Section 5.1(c) or any renewal term thereafter, (A) Owner/Servicer and Subservicer shall each pay 50% of the aggregate Servicing Transfer Costs incurred by both parties in connection with transferring the servicing to a successor servicer or subservicer, (B) neither party shall be responsible for paying any deboarding or boarding fees, and (C) Subservicer shall not be entitled to any Termination Fee.

To the extent the Owner/Servicer is obligated to pay the Termination Fee as set forth above, the Owner/Servicer shall remit to the Escrow Agent, to be held by the Escrow Agent in accordance with the Escrow Agreement, one-hundred percent (100%) of the applicable Termination Fee Deposit Amount (as defined and calculated in accordance with Exhibit C-2) in immediately available funds at least one (1) Business Day prior to the Subservicer

sending the related transferor's notice of transfer of servicing or "goodbye letter" in accordance with the requirements of applicable law solely to the extent the Subservicer has complied and completed all of the servicing transfer requirements set forth in Part I of Exhibit S required to be performed on or before such date thereof; provided that Subservicer shall have no obligation to send any such notices until the Escrow Agent verifies to Subservicer that the Termination Fee Deposit Amount has been received. The Escrow Agent shall pay the Subservicer (i) fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer and its third party vendor handling the mailing that the Subservicer has sent the related transferor's notice of transfer of servicing or "goodbye letter" and (ii) the remaining fifty percent (50%) of the applicable Termination Fee Deposit Amount in immediately available funds within two (2) Business Days after its receipt, with a copy to the Owner/Servicer, from the Subservicer of a certification by the Subservicer that the Subservicer has completed the Servicing Transfer Requirements set forth in Part III of Exhibit S attached hereto and including the federal reference numbers and wire amounts for the funds required to be remitted in accordance with such Servicing Transfer Requirements. The Subservicer shall send a copy of each of the deliverables under the Servicing Transfer Requirements to the Owner/Servicer at the same time it delivers such deliverable to the applicable successor servicer or subservicer. Owner/Servicer may elect to wait to transfer the servicing with respect to certain Servicing Agreements if the transfer of such Servicing Agreements would result in the unpaid principal balance of the Mortgage Loans that would remain subject to this Agreement following such transfer to be less than ten percent (10%) of the unpaid principal balance of all of the Mortgage Loans subject to this Agreement on the Effective Date of Termination. The Subservicer and Owner/Servicer shall use their best efforts to cooperate to enter into an Escrow Agreement containing the terms as set forth in this paragraph prior to the applicable date a payment is required to be made to the Escrow Agent as described in this paragraph and, to the extent such actions have been taken by any NRZ O/S Entity pursuant to any NRZ Servicing/Subservicing Agreement, the Owner/Servicer and Subservicer may agree to aggregate such actions. Notwithstanding anything to the contrary set forth in this Agreement, the Subservicer shall not be entitled to receive any Termination Fee to the extent the Effective Date of Termination occurs after the Initial Term.

In addition, in connection with any of the terminations described in this Section 5.4(b), Owner/Servicer shall pay to the Subservicer an amount equal to the sum of (i) all unreimbursed Servicing Advances and P&I Advances for which Subservicer is entitled to reimbursement under this Agreement (other than any amounts being disputed in accordance with Section 4.3) and (ii) all unpaid Subservicer Economics which have accrued as of the Successor Transfer Date (other than any amounts being disputed in accordance with Section 4.3). Other than with respect to the Termination Fee, if applicable, all amounts payable or reimbursable under this Section 5.4(b) shall be paid or reimbursed on the applicable Successor Transfer Date based on customary practices of estimation and true-up. To the extent that any such amounts are not known and/or invoiced by the party entitled to payment prior to the Successor Transfer Date, such amounts shall be paid or reimbursed to the party

entitled to payment within ten (10) Business Days of the other party's receipt of an invoice therefore, together with any documentation required pursuant to this Agreement.

In addition, upon termination of this Agreement, subject to the foregoing, the Owner/Servicer and the Subservicer shall pay or reimburse the other party any other amounts due under this Agreement.

(a) In connection with the termination of this Agreement with respect to some or all of the Mortgage Loans, the Subservicer and the Owner/Servicer shall use commercially reasonable efforts to ensure the prompt transfer of the servicing of such Mortgage Loans to a successor servicer or subservicer designated by the Owner/Servicer, including delivery of notices to the Mortgagors relating to the servicing transfer in accordance with Applicable Requirements.

(b) Notwithstanding any provision in this Agreement to the contrary, the termination of this Agreement shall not be effective until a successor servicer or subservicer has been appointed by the Owner/Servicer or an Investor, as applicable, and a servicing transfer of all the Mortgage Loans and REO Properties subserviced pursuant to this Agreement has been completed in accordance with Applicable Requirements, and the Subservicer shall not be relieved of its obligations under this Agreement until such time. If no successor servicer or subservicer shall have been so appointed and have taken steps toward becoming the successor within sixty (60) days after the giving of such notice or resignation, the Subservicer may petition any court of competent jurisdiction for the appointment of a successor servicer or subservicer. In addition, if (i) Owner/Servicer terminates for cause pursuant to Section 5.3 or does not renew this Agreement at the end of the Owner/Servicer's Initial Term or Subservicer terminates for cause pursuant to Section 5.6 or resigns pursuant to Section 5.1(a), then, if the days elapsed between the Effective Date of Termination and the Successor Transfer Date, (A) exceed 270 days but are less than 365 days, the Subservicer Economics shall be increased to the applicable Step-up Fee for such period and (B) equal or exceed 365 days, the Subservicer Economics shall be increased to the applicable Step-up Fee for such period or (ii) Owner/Servicer terminates for convenience pursuant to Section 5.1(b) or Subservicer terminates this Agreement at the end of the Subservicers Initial Term pursuant to Section 5.1(c), then, if the days elapsed between the Effective Date of Termination and the Successor Transfer Date, (A) exceed 180 days but are less than 365 days, the Subservicer Economics shall be to the applicable Step-up Fee for such period and (B) equal or exceed 365 days, the Subservicer Economics shall be increased to the applicable Step-up Fee for such period; provided that no Step-up Fee shall be payable if the delay in transferring servicing is due to any matter(s) outside of the control of the Owner/Servicer or the successor servicer or subservicer selected by Owner/Servicer. The Owner/Servicer and the Subservicer shall discharge such duties and responsibilities during the period from the date each acquires knowledge of such termination until the effective date thereof with the same degree of diligence and prudence that it is obligated to exercise under this Agreement. In addition, (i) Subservicer and Owner/Servicer shall cooperate in good faith to comply with the Transfer Procedures set forth in Exhibit P-1 and Exhibit P-2 hereto and transfer servicing in accordance with industry standard transfer

procedures and (ii) Owner/Servicer shall use commercially reasonable efforts to require any successor servicer or subservicer to comply with the Transfer Procedures set forth in Exhibit P-1 and Exhibit P-2 hereto and transfer servicing in accordance with industry standard transfer procedures.

(c) In the event of a servicing transfer to a successor servicer or subservicer with respect to some or all of the Mortgage Loans, the Subservicer shall comply with all Applicable Requirements with respect to servicing transfers. In addition, the Subservicer shall comply with the CFPB's rules and/or guidelines with respect to servicing transfers, including without limitation its Bulletin 2014-1 issued on August 19, 2014, as may be amended or updated. The Subservicer and the Owner/Servicer shall provide all reasonable cooperation and assistance as may be requested by the other party in connection with compliance with such rules and/or guidelines.

(d) In addition, in connection with the servicing transfer to a successor servicer or subservicer with respect to some or all of the Mortgage Loans, the Subservicer shall (a) to the extent in Subservicer's possession or control, promptly forward to the Owner/Servicer's designee all Mortgage Servicing Files, data, Mortgage Loan Documents, files, data tapes and other information customarily delivered by a servicer upon transfer of servicing of mortgage loans, (b) comply in all material respects with the transfer instructions of the successor servicer or subservicer, (c) provide Owner/Servicer's designee accepted servicing industry documentation meeting all Applicable Requirements regarding outstanding Servicing Advances and P&I Advances related to the Mortgage Loans, (d) take appropriate actions and cooperate with any Investor approval process and in reflecting the servicing transfer on the MERS system for the related Mortgage Loans registered on MERS to the extent the Subservicer is authorized to do so with the MERS system and (e) cooperate with the document custodian recertification process, if any.

(e) Notwithstanding any provision in this Agreement to the contrary, in the event the Owner/Servicer terminates this Agreement with or without cause as to some but not all of the Mortgage Loans, the terms of the Agreement shall remain in full effect with respect to those Mortgage Loans that remain subject to this Agreement.

Section 5.5. Accounting/Records.

Upon expiration or termination of this Agreement and after the completed transfer of the servicing of the Mortgage Loans to a successor servicer or subservicer, the Subservicer will cease all Subservicing activities and account for and turn over to the successor servicer or subservicer, as applicable, all funds collected hereunder, less the compensation and other amounts then due to the Subservicer, and deliver to the successor servicer or subservicer, as applicable, all records and documents relating to each Mortgage Loan and will advise Mortgagors that their mortgages will henceforth be serviced by the successor servicer or subservicer, as applicable.

Section 5.6. Termination Right of the Subservicer.

The Subservicer may terminate this Agreement for cause, in whole but not in part, by providing written notice of its intent to terminate Owner/Servicer based on any of the following events (each such event and any other event mutually agreed upon by the parties, an "Owner/Servicer Termination Event"), which as of the date of such notice, shall have occurred, be continuing and shall not have been cured or otherwise waived:

(a) any failure by the Owner/Servicer to remit any payment not in dispute pursuant to Section 4.3 and due to the Subservicer pursuant to this Agreement, which failure continues unremedied for a period of five (5) Business Days after the date upon which such payment was required to be remitted under the terms of this Agreement except to the extent funds are available to net such payment in accordance with Section 4.1;

(b) Any failure by the Owner/Servicer to duly observe or perform, in any material respect, any other covenants, obligations or agreements of the Owner/Servicer set forth in this Agreement (including the Schedules and Exhibits hereto), which failure continues unremedied for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Owner/Servicer by the Subservicer;

(c) A decree or order of a court or agency or supervisory authority having jurisdiction for the appointment of a conservator or receiver or liquidator or other similar official in any insolvency, bankruptcy, readjustment of debt, marshaling of assets and liabilities or similar proceedings, or for the winding-up or liquidation of its affairs, shall have been entered against the Owner/Servicer and such decree or order shall have remained in force, undischarged or unstayed for a period of sixty (60) days;

(d) Any representation or warranty made by the Owner/Servicer hereunder shall prove to be untrue or incomplete in any material respect which is not caused by or results from the actions or inaction of the Subservicer, the Corporate Parent or their Affiliates, vendors (other than any Vendors or Approved Parties selected by Owner/Servicer after the Effective Date) or agents and, if such breach of a representation or warranty is capable of being cured, continues unremedied for a period of thirty (30) days after the date on which written notice of such failure, requiring the same to be remedied, shall have been given to the Owner/Servicer by the Subservicer.

(e) The occurrence of an Owner/Servicer Termination Event under any NRZ Servicing/Subservicing Agreement with respect to non-Agency Loans.

Notwithstanding anything to the contrary in this Agreement, for the avoidance of doubt to the extent the Subservicer terminates this Agreement pursuant to this Section 5.6, the Owner/Servicer shall remain the owner of the Servicing Rights and Subservicer shall have no right, title interest or claim to the Servicing Rights.

Section 5.7. Recognition of Rights of Investor to Terminate or Assume Agreement.

(a) Subject to Section 5.7(b), the parties hereto acknowledge that, in the event the Owner/Servicer is terminated as servicer (or in similar capacity) under a Servicing Agreement by the related Investor (or, if expressly provided in such Servicing Agreement,

the Owner/Servicer is no longer the servicer thereunder for any reason (including termination due to an event of default of the Owner/Servicer)), then one or more of the following rights may be exercised: (i) if such right is required by the express provisions of such Servicing Agreement to be included in this Agreement, the Owner/Servicer shall have the right to immediately terminate this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity) in accordance with the terms of the related Servicing Agreement, (ii) if such right is required by the express provisions of the Servicing Agreement to be included in this Agreement, the related Investor or its designee or any successor servicer appointed by such Investor shall have the right to immediately terminate this Agreement (subject to the receipt of such consents, if any, as may be required by such Servicing Agreement, and in accordance with the terms of such Servicing Agreement) solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which was terminated as servicer (or in similar capacity), or (iii) if such right is required by the express provisions of such Servicing Agreement to be included in this Agreement, the related Investor or its designee or any successor servicer appointed by such Investor shall have the right to assume (or may be deemed to have assumed without act or deed on the part such Investor or its designee or any successor servicer) all of the rights and obligations of the Owner/Servicer under this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity) in accordance with the terms of the related Servicing Agreement.

(b) Notwithstanding anything to the contrary in this Agreement, if an Investor terminates both the Owner/Servicer and the Subservicer under the applicable Servicing Agreement, such termination would be treated as:

(i) a termination for cause for purposes of this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity) if the Investor's action is related to an act or omission of the Subservicer or the Corporate Parent, or the processes, practices and/or procedures of the Subservicer or the Corporate Parent (unless such act, omission or breach is related to Subservicer's compliance with the Owner/Servicer's written direction in accordance with Section 2.3) or in connection with a Subservicer Termination Event; provided, further, that this provision shall not protect the Subservicer from any liability for any breach of its covenants made herein, or failure to perform its obligations in compliance with the terms of this Agreement, including any standard of care set forth in this Agreement, or from any liability which would otherwise be imposed on the Subservicer or any of its directors, officers, agents or employees by reason of the Subservicer's willful misfeasance, bad faith, fraud, or negligence in the performance of its duties hereunder or by reason of its negligent disregard of its obligations or duties hereunder), or

(ii) a termination without cause solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated if the Investor's action is (1) unrelated to (x) an act or omission of the Subservicer or the Corporate Parent, respectively, or (y) a Subservicer Termination Event, or (2) related to Subservicer's compliance with the Owner/Servicer's written direction in accordance with Section 2.3.

(c) If an Investor assumes (or is deemed to have assumed) the obligations of the Owner/Servicer in accordance with the express provisions of the applicable Servicing Agreement, then the Subservicer shall have the right, upon not less than 90 days' prior written notice to the related Investor, to terminate this Agreement solely with respect to the related Mortgage Loans subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity). In addition to any rights and remedies under the applicable Servicing Agreement or this Agreement, in the event such Investor terminates the Subservicer following such assumption of this Agreement by such Investor and such termination by the Investor is unrelated to an act or omission of the Subservicer or the Corporate Parent, respectively, unrelated to a Subservicer Termination Event or related to Subservicer's compliance with the Owner/Servicer's written direction in accordance with Section 2.3, and solely if the Effective Date of Termination occurs during the Initial Term, Investor (including without limitation, any trustee master servicer, back-up servicer, successor servicer, trust administrator, insurer or similar transaction party or any related securityholder) assuming the obligations of the Owner/Servicer shall reimburse the Subservicer in accordance with such termination without cause provisions. To the extent the Investor is obligated to pay the applicable Termination Fee as set forth in this Section 5.7(c), the Investor shall remit to the Subservicer one-hundred percent (100%) of the applicable Termination Fee (Investor) Deposit Amount (as defined and calculated in accordance with Exhibit C-2) on the related Effective Date of Termination. For the avoidance of doubt, the provisions relating to the Escrow Agent in Section 5.04 shall be inapplicable to the extent the related Investor is obligated to pay the Subservicer the applicable Termination Fee pursuant to this Section 5.7(c).

(d) Notwithstanding any provision of this Agreement to the contrary, the termination of this Agreement as to the related Mortgage Loans (subject to the related Servicing Agreement for which the Owner/Servicer was terminated as servicer (or in similar capacity)) by the Subservicer in accordance with Section 5.7(c) above shall not be effective until a successor subservicer has been appointed by the related Investor and has assumed the duties of the Subservicer hereunder solely with respect to the related Mortgage Loans subject to the related Servicing Agreement which was terminated, and the Subservicer shall not be relieved of its obligations under this Agreement with respect to such Mortgage Loans until such time. If a successor subservicer has not assumed the duties of the Subservicer within one hundred and twenty (120) days of the Subservicer's notice of termination pursuant to Section 5.7(c), the Subservicer may, at the expense of the related Investor, petition a court with appropriate jurisdiction to appoint a successor subservicer.

(e) Unless expressly required pursuant to the terms of the applicable Servicing Agreement, with respect to any of the Mortgage Loans for which the Owner/Servicer is terminated as servicer (or in similar capacity) under a Servicing Agreement by the related Investor (or, if expressly provided in such Servicing Agreement, the Owner/Servicer is no longer the servicer thereunder for any reason (including termination due to an event of default of the Owner/Servicer), in the event that the related trustee or successor servicer assumes or (is deemed to have assumed) the rights and/or obligations of the Owner/Servicer in accordance with the express provisions of the applicable Servicing Agreement, New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing shall not have any obligations as Owner/Servicer with respect to such Mortgage Loans following the date of such assumption and shall not be liable to the Subservicer for any losses, liabilities, acts or omissions of Investor as Owner/Servicer with respect to such Mortgage Loans following the date of such assumption.

ARTICLE VI
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE OWNER/SERVICER

As of the date of this Agreement and as of each Transfer Date (or such other date as set forth below), the Owner/Servicer hereby represents, warrants and covenants to the Subservicer as follows:

Section 6.1. Authority.

The Owner/Servicer is a duly organized and validly existing limited liability company in good standing under the laws of its state of formation and has all requisite power and authority to enter into this Agreement and the Persons executing this Agreement on behalf of the Owner/Servicer are duly authorized to do so. The Owner/Servicer has all licenses necessary to carry on its business as now being conducted and is duly authorized and qualified to transact, in each state where a Mortgaged Property is located, any and all business contemplated by this Agreement, except where the failure of the Owner/Servicer to possess such qualifications or licenses would not be reasonably expected to have a Material Adverse Effect or where the Owner/Servicer is otherwise exempt under Applicable Requirements from such qualification, or is otherwise not required under Applicable Requirements to effect such qualification.

Section 6.2. Consents.

Except for approvals required from the applicable Investor or under the applicable Servicing Agreement in connection with any Transfer Date, no consent, approval or authorization of any Governmental Authority is required for the execution, delivery, and performance by the Owner/Servicer of or compliance by the Owner/Servicer with this Agreement or the consummation of the transactions contemplated by this Agreement, or if required, such consent, approval, authorization, or order has been obtained except where failure to obtain would not reasonably be expected to have a Material Adverse Effect.

Section 6.3. Litigation.

There is no action, suit, proceeding, or investigation pending or, to its knowledge, threatened against the Owner/Servicer that, either in any one instance or in the aggregate, would draw into question the validity of this Agreement or of any action taken or to be contemplated herein, or would be reasonably likely to impair materially the ability of the Owner/Servicer to perform under the terms of this Agreement.

Section 6.4. Broker Fees.

The Owner/Servicer has not dealt with any broker or agent or anyone else who might be entitled to a fee or commission in connection with this transaction.

Section 6.5. Ownership.

Following the applicable Transfer Date, the Owner/Servicer is the sole owner of all right, title and interest in and to the Servicing Rights related to the Mortgage Loans.

Section 6.6. Ability to Perform.

The Owner/Servicer does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant applicable to it and contained in this Agreement.

Section 6.7. Accuracy of Information.

Solely with respect to each Mortgage Loan which is not a Prior Ocwen Serviced Loan, all information provided to Subservicer by Owner/Servicer required by the Subservicer to perform its obligations hereunder is true and correct in all material respects; provided that, the Owner/Servicer makes no representation, warranty or covenant relating to any information provided to Subservicer which is based on or derived from any information or data provided to the Owner/Servicer by the Subservicer or the Corporate Parent or their respective Affiliates, vendors (other than any Vendors or Approved Parties selected by Owner/Servicer after the Effective Date) or agents.

ARTICLE VII
REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE SUBSERVICER

As of the date of this Agreement and as of each Transfer Date (or such other date if set forth below), the Subservicer hereby represents, warrants and covenants to the Owner/Servicer as follows:

Section 7.1. Good Standing.

The Subservicer is an approved servicer for, and in good standing with, each Governmental Entity and a HUD approved mortgagee. No event has occurred, including but not limited to, a change in insurance coverage, that would make the Subservicer unable to comply with eligibility requirements of each Governmental Entity.

Section 7.2. Authority.

The Subservicer is a duly organized and validly existing limited liability company in good standing under the laws of the state of its formation and has all requisite power and authority to enter into this Agreement and the Persons executing this Agreement on behalf of the Subservicer are duly authorized so to do. The Subservicer has all licenses necessary to carry on its business as now being conducted and is duly authorized and qualified to transact, in each state where a Mortgaged Property is located, any and all business contemplated by this Agreement, except where the failure of the Subservicer to possess such qualifications or licenses would not be reasonably expected to have a Material Adverse Effect or where the Subservicer is otherwise exempt under Applicable Requirements from such qualification, or is otherwise not required under Applicable Requirements to effect such qualification.

Section 7.3. Consents.

Except for approvals required from the applicable Investor or under the applicable Servicing Agreement in connection with any Transfer Date, no consent, approval or authorization of any Governmental Authority is required for the execution, delivery, and performance by the Subservicer of or compliance by the Subservicer with this Agreement or the consummation of the transactions contemplated by this Agreement, or if required, such consent, approval, authorization, or order has been obtained except where failure to obtain would not reasonably be expected to have a Material Adverse Effect.

Section 7.4. Litigation.

There is no action, suit, proceeding or investigation pending or, to its knowledge, threatened against the Subservicer that, either in any one instance or in the aggregate, would draw into question the validity of this Agreement or of any action taken or to be contemplated herein, or would be reasonably likely to impair materially the ability of the Subservicer to perform under the terms of this Agreement or Applicable Requirements.

Section 7.5. Accuracy of Information.

Information furnished to the Owner/Servicer or, any Investor by the Subservicer regarding its financial condition or its servicing operations is true and correct as of the date specified in such information or, if not specified, the date provided, in all material respects.

Section 7.6. Broker Fees.

The Subservicer has not dealt with any broker or agent or anyone else who might be entitled to a fee or commission in connection with this transaction.

Section 7.7. MERS.

The Subservicer is a member of MERS in good standing.

Section 7.8. Ability to Perform.

The Subservicer does not believe, nor does it have any reason or cause to believe, that it cannot perform each and every covenant applicable to it and contained in this Agreement.

Section 7.9. HAMP.

The Subservicer is participating in HAMP. The Subservicer has entered into a Servicer Participation Agreement ("SPA") with Fannie Mae, as financial agent of the United States, pursuant to HAMP. As such, the Subservicer: (a) has implemented HAMP as required by the SPA; (b) will report to Fannie Mae throughout the term of this Agreement the transfer of servicing of any Mortgage Loans that are "Eligible Loans" (as defined by the SPA) to extent required in order to ensure compliance with the SPA; and (c) will service any of the Mortgage Loans that are "Eligible Loans" in accordance with HAMP requirements throughout the term of this Agreement to the extent HAMP is still in effect or otherwise applicable.

Section 7.10. Eligibility under the Servicing Agreements.

The Subservicer satisfies all applicable eligibility and other requirements as subservicer to the Owner/Servicer to act as servicer (including master, special, primary or subservicer) under the applicable Servicing Agreements as of the applicable Transfer Date.

Section 7.11. Advances.

The representations and warranties set forth on Schedule 7.11 are true and correct with respect to the applicable P&I Advances and Servicing Advances as of the dates set forth in Schedule 7.11.

Section 7.12. [***]

[***]

ARTICLE VIII
INDEPENDENCE OF PARTIES; INDEMNIFICATION SURVIVAL

Section 8.1. Independence of Parties; Average Third-Party Mark Payment.

The Subservicer shall have the status of, and act as, an independent contractor. Nothing herein contained shall be construed to create a partnership or joint venture between the Owner/Servicer and the Subservicer.

Subservicer and Owner/Servicer will each promptly notify the other of any communication received in connection with a Servicing Agreement (and promptly deliver a copy of such communication to the other party) (i) from a trustee, master servicer (or other party entitled, or purporting to be entitled, to terminate) that is a solicitation of holders for a vote, or a request for direction regarding termination or (ii) from, or on behalf of, a trustee, master servicer (or other party entitled, or purporting to be entitled, to terminate) stating that such trustee, master servicer or other party has an intention to terminate Owner/Servicer or Subservicer as servicer, subservicer or master servicer under such Servicing Agreement. The parties will fully cooperate to resolve any such

matter to avoid termination. To the extent Subservicer or the Owner/Servicer is terminated under any Servicing Agreement related to any Mortgage Loan subserviced hereunder and either (x) the basis of such termination is resulting from, arising out of or related to any enumerated items set forth in Section 8.2 (other than as a result of any delinquency or loss triggers with respect to such Servicing Agreement) or (y) other than with respect to any Mortgage Loan with respect to which any optional termination or clean-up call right has been exercised pursuant to the related Servicing Agreement or any Mortgage Loan subject to the Servicing Agreements set forth in Schedule 8.1, such termination was "without cause," "for convenience" or on a similar basis and the related Servicing Agreement was terminable by the applicable Investor on such basis as of the Servicing Transfer Date, then, in each case, the Subservicer shall remit to the Owner/Servicer the Average Third Party Mark of the affected Servicing Rights within ten (10) Business Days following receipt of such Average Third Party Mark (the "Average Third Party Mark Payment"); provided that in the case of any termination described in clause (y) above, the Average Third Party Mark Payment will be reduced by any termination or similar payments received by the Owner/Servicer under the applicable Servicing Agreement in connection with such termination; provided, further, that if any such termination payments exceed the Average Third Party Mark of the affected Servicing Rights, the Owner/Servicer will pay such excess to the Subservicer.

Section 8.2. Indemnification by the Subservicer.

The Subservicer shall indemnify and hold the Owner/Servicer harmless against any and all Losses resulting from or arising out of:

(a) the Subservicer's failure to observe or perform any or all of the Subservicer's covenants and obligations under this Agreement, including without limitation the failure to comply following the applicable Transfer Date with any provisions under any Servicing Agreement relating to the servicing or Subservicing of the related Mortgage Loans;

(b) the Subservicer's breach of its representations and warranties contained in this Agreement;

(c) any event of termination described in Section 5.3, other than Section 5.3(a)(xxiii);

(d) any claim, litigation or proceeding to which the Owner/Servicer is made a party in connection with Section 2.23, (ii) the Owner/Servicer's (and any Owner/Servicer's designee's) compliance with Section 2.23 (including, without limitation, any reasonable costs and expenses related to travel and lodging) and/or (iii) the Owner/Servicer's cooperation with the Subservicer in connection with any PMI Proceeding;

(e) the matters set forth on Schedule 4.12.15 to the Transfer Agreement; provided that such Loss is incurred and/or is payable prior to the earliest of (i) the date New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing is terminated as Owner/Servicer and (ii) the later of (x) the fifth anniversary of the Effective Date and (y) the two year anniversary of the termination of the Subservicer under this Agreement;

(f) any Compensatory Fees or other Governmental Entity-imposed fees, penalties or curtailments imposed on the Owner/Servicer related to (a) any Mortgage Loan foreclosures exceeding the applicable Governmental Entity's required timelines or (b) other servicing acts or omissions relating to the Mortgage Loans, in each case relating to or arising from the Subservicer's failure to meet a timeline or requirement under the applicable Governmental Entity Guidelines on or after the related Transfer Date, but only to the extent and amount such Compensatory Fee or other fee, penalty or curtailment is attributable to the Subservicer; or

(g) the matters for which Subservicer is required to indemnify the Owner/Servicer pursuant to Section 2.3;

provided, however, the Subservicer shall not be obligated to indemnify the Owner/Servicer (i) with respect to any liabilities, Claims, costs or expenses which are covered in Section 8.3 or (ii) to the extent such Loss is due to the willful misconduct, bad faith or gross negligence of the Owner/Servicer or any of its Affiliates or the Owner/Servicer's breach of this Agreement.

Section 8.3. Indemnification by the Owner/Servicer.

Except as otherwise stated herein, the Owner/Servicer shall indemnify and hold the Subservicer harmless against any and all Losses resulting from or arising out of:

(a) the Owner/Servicer's failure to observe or perform any or all of the Owner/Servicer's covenants and obligations under this Agreement or breach of its representations and warranties contained in this Agreement;

(b) the matters for which the Owner/Servicer is required to indemnify the Subservicer pursuant to Section 2.3;

(c) any failure of any successor servicer or subservicer to service the Mortgage Loans in accordance with Applicable Requirements following the related transfer of servicing to such successor;

(d) any Claim that is brought against Subservicer after the relevant Transfer Date that relates to the Mortgage Loans and the Servicing Rights, except (i) to the extent Subservicer is otherwise liable therefor under this Agreement, the MSR Purchase Agreement, the Sale Supplements, the Transfer Agreement or any other agreement between the Owner/Servicer and the Subservicer or any Affiliate or (ii) solely with respect to Prior Ocwen Serviced Loans, to the extent such Claim results from or arises out of any matter related to the period prior to the applicable Transfer Date;

(e) solely with respect to any Mortgage Loan which is not a Prior Ocwen Serviced Loan, any act or omission by any Person other than Corporate Parent, Subservicer or their respective Affiliates prior to the applicable Transfer Date unless (i) the Subservicer knew

or reasonably should have known of such deficiencies or (ii) the Subservicer is curing or correcting such deficiencies; or

(f) any event of termination described in Section 5.6;

provided, however, the Owner/Servicer shall not be obligated to indemnify the Subservicer (i) with respect to any liabilities, Claims, costs or expenses which are covered in Section 8.2 or (ii) to the extent such Loss is due to the willful misconduct, bad faith or gross negligence of the Subservicer, Corporate Parent or any of their respective Affiliates or the Subservicer's breach of this Agreement.

Section 8.4. Indemnification Procedures.

Promptly after receipt by an indemnified party under Sections 8.2 or 8.3 of notice of the commencement of any action, such indemnified party will, if a claim in respect thereof is to be made against an indemnifying party under Sections 8.2 or 8.3, notify the indemnifying party in writing of the commencement thereof; but the omission so to notify the indemnifying party will not relieve the indemnifying party from any liability that it may have to any indemnified party under Sections 8.2 or 8.3, except to the extent that it has been prejudiced in any material respect, or from any liability that it may have, otherwise than under Sections 8.2 or 8.3. The indemnifying party shall assume the defense of any such claim (provided, however, that counsel to the indemnifying party shall not (except with the consent of the indemnified party) also be counsel to the indemnified party) and pay all expenses in connection therewith, including attorneys' fees, and promptly pay, discharge, and satisfy any judgment or decree that may be entered against it or the indemnified party in respect of such claim. The indemnifying party shall follow any reasonable written instructions received from the indemnified party in connection with such claim. The provisions of Sections 8.2 or 8.3 shall survive for five (5) years following termination of this Agreement. The Subservicer shall provide the Mortgagor Litigation Reports set forth in the related Formatted Servicing Report regarding legal action(s) by individual Mortgagor(s) relating to the Mortgage Loans and against the Subservicer or the Owner/Servicer, it being understood that the Subservicer may combine such reports with the reports required to be delivered under Section 8.4 of any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and delivery thereunder shall be deemed to constitute delivery hereunder. With respect to any third party claim subject to indemnification under this Agreement, the indemnified party agrees to reasonably cooperate and cause its Affiliates to reasonably cooperate in good faith with the indemnifying party in connection with the defense of any such claim. The indemnifying party shall pay the indemnified party any non-disputed Losses within thirty (30) days of the indemnifying party's receipt of an invoice therefor, together with reasonable supporting documentation.

Section 8.5. Mitigation.

Each party that is eligible for indemnification under Sections 8.2 or 8.3 for reimbursement for costs and expenses under this Agreement shall use its commercially reasonable efforts consistent with requirements of Applicable Requirements with respect to mitigation of damages to mitigate such Loss and; provided, however, that the failure to mitigate by either party shall not affect the indemnifying party's obligation to indemnify the indemnified party except to the extent such failure

to mitigate results in any material prejudice to the indemnifying party and then only to the extent of such material prejudice and a violation of requirements of Applicable Requirements with respect to mitigation of damages.

Section 8.6. Survival.

The representations, warranties, and indemnifications set forth in Article VII and this Article VIII shall survive for five (5) years following the termination of this Agreement.

Section 8.7. Limitation of Damages.

NOTWITHSTANDING ANYTHING CONTAINED HEREIN TO THE CONTRARY, THE PARTIES AGREE THAT NEITHER PARTY WILL BE LIABLE TO THE OTHER FOR ANY PUNITIVE, CONSEQUENTIAL, INDIRECT OR SPECIAL DAMAGES, WHATSOEVER, IN EACH CASE WHETHER IN CONTRACT, TORT (INCLUDING NEGLIGENCE AND STRICT LIABILITY), OR ANY OTHER LEGAL OR EQUITABLE PRINCIPLE, EVEN IF APPRISED OF THE POSSIBILITY THEREOF; PROVIDED, HOWEVER, THAT SUCH LIMITATION WILL NOT BE APPLICABLE WITH RESPECT TO ANY SUCH DAMAGES PAID TO A THIRD PARTY AS A RESULT OF ANY THIRD PARTY CLAIMS MADE AGAINST A PARTY THAT IS SUBJECT TO AN INDEMNIFICATION OBLIGATION PROVIDED FOR UNDER SECTION 8.2 OR 8.3, AS APPLICABLE.

Section 8.8. Owner/Servicer's Direction

The Subservicer may rely in good faith on any document of any kind that, prima facie, is executed and submitted by any appropriate Person respecting any matters arising hereunder by or on behalf of Owner/Servicer. Notwithstanding anything in this Agreement to the contrary and for the avoidance of doubt, in no event shall the Subservicer be required to comply with any instruction by the Owner/Servicer that would violate any federal, state and local legal and regulatory requirements (including, without limitation, laws, statutes, rules, regulations and ordinances); provided that the Subservicer shall address such conflict in accordance with the procedure set forth in Section 2.3(c).

ARTICLE IX
SECURITIZATION TRANSACTIONS

Section 9.1. Removal of Mortgage Loans from Inclusion Under This Agreement Upon a Securitization Transaction on One or More Reconstitution Dates.

To the extent some or all of the Mortgage Loans are removed from a Servicing Agreement pursuant to the exercise of an early termination or other reconstitution provision, the termination and subsequent servicing of such Mortgage Loans shall be addressed as set forth in Section 5.1(d).

ARTICLE X
MISCELLANEOUS

Section 10.1. Assignment.

(a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(b) This Agreement may not be assigned or otherwise transferred by operation of law or otherwise by Owner/Servicer or Subservicer without the express written consent of the other, and any such assignment or attempted assignment without such consent shall be void; provided, however, that (i) Owner/Servicer may pledge its rights to any Person providing financing to Owner/Servicer or its Affiliates without the express written consent of Subservicer, (ii) without limiting any other transfers that otherwise do not require the consent of Subservicer, following a Transfer Date, Owner/Servicer or any assignee or transferee thereof may transfer all or any interest in the Rights to MSRs or any Transferred Receivables Assets (each as defined in the Transfer Agreement) to any Person without the express written consent of Subservicer, (iii) Owner/Servicer may assign or otherwise transfer any of its rights and obligations hereunder without the consent of Subservicer to any direct or indirect wholly-owned subsidiary of New Residential Investment Corp., provided that in each case such entity has been approved by and is in good standing with Fannie Mae, Freddie Mac and each applicable State Agency, as necessary, in order to acquire the Servicing Rights hereunder.

(c) This Agreement is otherwise solely for the benefit of the parties hereto, and no provision of this Agreement shall be deemed to confer upon any other Person any remedy, claim, liability, reimbursement, cause of action or other right.

Section 10.2. Prior Agreements.

If any provision of this Agreement is inconsistent with any prior agreements between the parties, oral or written, with respect to the Mortgage Loans, the terms of this Agreement shall prevail, and after the Effective Date of this Agreement, the relationship and agreements between the Owner/Servicer and the Subservicer with respect to the Mortgage Loans shall be governed in accordance with the terms of this Agreement.

Section 10.3. Entire Agreement.

Except as otherwise set forth herein, this Agreement contains the entire agreement between the parties hereto and cannot be modified in any respect except by an amendment in writing signed by both parties.

Section 10.4. Invalidity.

Any part, provision, representation or warranty of this Agreement which is prohibited or unenforceable or is held to be void or unenforceable in any jurisdiction shall be ineffective, as to such jurisdiction, to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction as to any Mortgage Loan shall not invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto waive any provision of law which prohibits or renders void or unenforceable any provision hereof. If the invalidity of any part, provision, representation or warranty of this Agreement shall deprive any party of the economic

benefit intended to be conferred by this Agreement, the parties shall negotiate, in good-faith, to develop a structure the economic effect of which is as close as possible to the economic effect of this Agreement without regard to such invalidity.

Section 10.5. Governing Law; Jurisdiction.

THIS AGREEMENT AND ANY CLAIM, CONTROVERSY OR DISPUTE ARISING OUT OF THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND THE OBLIGATIONS, RIGHTS AND REMEDIES OF THE PARTIES HEREUNDER SHALL BE DETERMINED IN ACCORDANCE WITH SUCH LAWS WITHOUT REGARD TO THE CONFLICT OF LAWS PROVISIONS THEREOF (OTHER THAN SECTION 5-1401 OF THE NEW YORK GENERAL OBLIGATIONS LAW).

ANY LEGAL ACTION, SUIT OR OTHER PROCEEDING ARISING OUT OF, OR IN ANY WAY CONNECTED WITH, THIS AGREEMENT SHALL BE BROUGHT IN THE COURTS OF THE STATE OF NEW YORK, OR IN THE UNITED STATES COURTS FOR THE SOUTHERN DISTRICT OF NEW YORK. WITH RESPECT TO ANY SUCH PROCEEDING IN ANY SUCH COURT: (A) EACH PARTY GENERALLY AND UNCONDITIONALLY SUBMITS ITSELF AND ITS PROPERTY TO THE EXCLUSIVE JURISDICTION OF SUCH COURT; AND (B) EACH PARTY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY OBJECTION IT HAS OR HEREAFTER MAY HAVE TO THE VENUE OF SUCH PROCEEDING, AS WELL AS ANY CLAIM IT HAS OR MAY HAVE THAT SUCH PROCEEDING IS IN AN INCONVENIENT FORUM.

Section 10.6. Waiver of Jury Trial.

EACH OF THE SUBSERVICER AND THE OWNER/SERVICER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY AND ALL RIGHTS IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OR ANY LITIGATION BASED ON, OR ARISING OUT OF, UNDER, OR IN CONNECTION WITH, THIS AGREEMENT.

Section 10.7. Notices.

All communications, notices, consents, waivers, and other communications under this Agreement must be in writing and be given in person or by means of email (with request for assurance of receipt in a manner typical with respect to communications of that type), by overnight courier or by mail, and shall become effective: (a) on delivery if given in person; (b) on the date of transmission if sent email, except with respect to notices delivered pursuant to Article V which shall be confirmed by a similar mailed writing ; (c) one (1) Business Day after delivery to the overnight service; or (d) four (4) Business Days after being mailed, with proper postage and documentation, for first-class registered or certified mail, prepaid.

(a) in the case of the Subservicer:

Ocwen Loan Servicing, LLC
1661 Worthington Road, Suite 100
West Palm Beach, FL 33409
Attention: Secretary

with a copy (which shall not constitute notice) to :

Ocwen Loan Servicing LLC
(physical address)
Hamilton House, 56 King Street, 3rd Floor
Christiansted, St. Croix VI 00820

(mailing address)
1108 King Street
Christiansted, VI 00820

Attention: General Counsel

with a copy to:

[***]

(b) in the case of the Owner/Servicer:

New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing
c/o New Residential Mortgage LLC
1345 Avenue of the Americas, 26th Floor
New York, New York 10105
Attention: Operations
[***]

with a copy (which shall not constitute notice) to :

New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing
c/o New Residential Mortgage LLC
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: Legal
[***]

with a copy (which shall not constitute notice) to:

New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing
55 Beattie Pl, Suite 500

Greenville, South Carolina 29601

All such notices, requests and other communications shall be deemed received on the date of receipt by the recipient thereof if received prior to 5:00 p.m. (New York time) in the place of receipt and such day is a Business Day in the place of receipt. Otherwise, any such notice, request or communication shall be deemed not to have been received until the next succeeding Business Day in the place of receipt.

Section 10.8. Amendment, Modification and Waiver.

No amendment to this Agreement shall be effective unless it shall be in writing and signed by each party. Any failure of a party to comply with any obligation, covenant, agreement or condition contained in this Agreement may be waived by the party entitled to the benefits thereof only by a written instrument duly executed and delivered by the party granting such waiver, but such waiver or failure or delay to insist upon strict compliance with such obligation, covenant, agreement or condition or any waiver, failure or delay in exercising any right, power or privilege hereunder or any single or partial exercise thereof shall not operate as a waiver of, or estoppel with respect to, any subsequent or other failure of compliance or preclude any other or further exercise thereof or any other right, power or privilege hereunder. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

Section 10.9. Binding Effect.

This Agreement shall inure to the benefit of and be binding upon the parties hereto and their successors and assigns.

Section 10.10. Headings.

Headings of the Articles and Sections in this Agreement are for reference purposes only and shall not be deemed to have any substantive effect.

Section 10.11. Force Majeure.

Each party will be excused from performance under this Agreement, except for any payment obligations for services that have been or are being performed hereunder, for any period and to the extent that it is prevented from performing, in whole or in part, as a result of delays caused by the other party or any act of God, war, civil disturbance, court order, labor dispute, or other cause beyond its reasonable control, including failure, fluctuations, or unavailability of heat, light, air conditioning, or telecommunications equipment (a "Force Majeure Event"). A party excused from performance pursuant to this Section 10.11 shall exercise commercially reasonable efforts to continue to perform its obligations hereunder and shall thereafter continue with reasonable due diligence and good faith to remedy its inability to so perform, except that nothing herein shall obligate either party to settle a strike or labor dispute when it does not wish to do so. Such nonperformance will not be deemed a breach of this Agreement as long as the party affected by the Force Majeure Event uses commercially reasonable efforts to expeditiously remedy the problem causing such nonperformance and to execute its disaster recovery plan then in existence. If the failure of a party to perform under

this Agreement as a result of a Force Majeure Event exceeds fifteen (15) days, the other party may terminate this Agreement immediately without liability and the parties shall cooperate in good faith to facilitate the transfer of servicing to a successor servicer or subservicer designated by the Owner/Servicer.

Section 10.12. Confidentiality; Security.

(a) Each party acknowledges that it may, in the course of performing its responsibilities under this Agreement, be exposed to or acquire Confidential Information that is proprietary to or confidential to the other party, its Affiliates, their respective clients and investors or to third parties to whom the other party owes a duty of confidentiality. The party providing Confidential Information in each case shall be called the "Disclosing Party" and the party receiving the Confidential Information shall be called the "Recipient". With respect to all such Confidential Information, the Recipient shall (i) act in accordance and comply with all Applicable Requirements (including, without limitation, security and privacy laws with respect to its use of such Confidential Information), (ii) maintain, and shall require all third parties that receive Confidential Information from the Recipient as permitted hereunder to maintain, effective information security measures to protect Confidential Information from unauthorized disclosure or use, and (iii) provide the Disclosing Party with information regarding such security measures upon the reasonable request of the Disclosing Party and promptly provide the Disclosing Party with information regarding any material failure of such security measures or any security breach relating to the Disclosing Party's Confidential Information. The Recipient shall hold the Disclosing Party's Confidential Information in strict confidence, exercising no less care with respect to such Confidential Information than the level of care exercised with respect to the Recipient's own similar Confidential Information and in no case less than a reasonable standard of care, and shall not copy, reproduce, summarize, quote, sell, assign, license, market, transfer or otherwise dispose of, give or disclose such information to third parties or use such information for any purposes other than the provision of the services to the Disclosing Party without the prior written authorization of the Disclosing Party. In addition, the Recipient shall not use the Confidential Information to make any contact with any of the parties identified in the Confidential Information without the prior authorization of the Disclosing Party, except in the course of performing its obligations under the terms of this Agreement.

(b) The Recipient may disclose the Disclosing Party's Confidential Information only (i) to its and its Affiliates' officers, directors, attorneys, accountants, employees, agents and representatives and, with respect to the Owner/Servicer only, Rating Agencies, consultants, bankers, financial advisors and potential financing sources (collectively, "Confidential Representatives") who need to know such Confidential Information and who are subject to a duty of confidentiality (contractual or otherwise) with respect to such Confidential Information, (ii) to those Persons within the Recipient's organization directly involved in the transactions contemplated in this Agreement, and who are bound by confidentiality terms substantially similar to the terms set forth herein, (iii) to the Recipient's regulators and examiners, (iv) as required by Applicable Requirements, (v) to the extent

such Recipient determines reasonably necessary or appropriate to defend itself in connection with a legal proceeding regarding the transactions contemplated in this Agreement; provided that Confidential Information may not be disclosed pursuant to this clause (v) without prior notice to the Disclosing Party and the Recipient shall use reasonable efforts to cooperate with the Disclosing Party's reasonable requests to protect and preserve the confidential nature of such Confidential Information, (vi) in the case of the Owner/Servicer, and subject to, and otherwise limited to the information provided pursuant to, Section 2.1(e), to a backup servicer and (vii) to any third party mutually agreed upon by the Owner/Servicer and Subservicer. The Recipient shall be liable for any breach of its confidentiality obligations and the confidentiality obligations of its Confidential Representatives.

(c) The parties shall not, without the other party's prior written authorization, publicize, disclose, or allow disclosure of any Confidential Information about the other party, its present or former partners, managing directors, directors, officers, employees, agents or clients, its or their business and financial affairs, personnel matters, operating procedures, organization responsibilities, marketing matters and policies or procedures, with any reporter, author, producer or similar Person or entity, or take any other action seeking to publicize or disclose any such information in any way likely to result in such information being made available to the general public in any form, including books, articles or writings of any other kind, as well as film, videotape, audiotape, or any other medium except as required by Applicable Requirements.

(d) The obligations under this Section 10.12 shall survive the termination of this Agreement.

(e) In addition to the foregoing, the parties agree that any information provided hereunder shall be subject to the terms of the Confidentiality Agreement; provided that if there exists any conflict between this Agreement and the terms of the Confidentiality Agreement, this Confidentiality Agreement shall control except as provided in Section 10.12(f) below). Furthermore, the parties agree that the Confidentiality Agreement shall be incorporated into this Agreement for purposes of confidentiality.

(f) Notwithstanding any contrary terms in the Confidentiality Agreement, the obligations under the Confidentiality Agreement shall survive indefinitely after the expiration or termination of the Sale Supplements (as defined in the New RMSR Agreement).

Section 10.13. Further Assurances.

Each of the Owner/Servicer and the Subservicer shall cooperate with and assist the other party as reasonably requested in connection with such other party's duties and obligations under this Agreement and in connection therewith shall execute and deliver all such papers, documents and instruments as may be necessary and appropriate in furtherance thereof.

The Subservicer shall reasonably cooperate with the Owner/Servicer, the Affiliates of Owner/Servicer, any third-party originator, servicer and/or other service provider engaged by the Owner/Servicer to provide portfolio defense services, any Rating Agency, any trustee, bond insurers,

Owner/Servicer's lender(s), any agents or consultants of Owner/Servicer, any regulator of the Owner/Servicer, any third-party due diligence provider and/or any prospective purchaser(s), in each case, with respect to any proposed Securitization Transactions, any financings contemplated by the Owner/Servicer, and/or any other activity reasonably requested by the Owner/Servicer related to the Mortgage Loans, Servicing Rights, Servicing Advances or P&I Advances. The Owner/Servicer will pay Subservicer's reasonable and documented out-of-pocket costs related to such cooperation and, with respect to the servicing advance facilities, consistent with the caps and limitations set forth on Exhibit O attached hereto.

The Subservicer covenants and agrees to cooperate fully with its obligations under Section 5.4 of this Agreement and any reasonable written request of Owner/Servicer to protect and preserve the value of the Servicing Rights.

Section 10.14. Execution of Agreement.

This Agreement may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. This Agreement shall be deemed binding when executed by both the Owner/Servicer and the Subservicer. Telecopy or electronically transmitted signatures shall be deemed valid and binding to the same extent as the original.

Section 10.15. Publicity.

The Subservicer and the Corporate Parent shall not issue any media releases, public announcements and public disclosures, relating to this Agreement or use the name or logo of the Owner/Servicer, including, without limitation, in promotional or marketing material or on a list of customers, without the prior written consent of the Owner/Servicer; provided, that nothing in this paragraph shall restrict compliance with this Agreement or any disclosure required by legal, accounting or regulatory requirements.

Section 10.16. Executory Contract.

Notwithstanding any provision in this Agreement to the contrary, the Subservicer acknowledges and agrees that, in the event it files bankruptcy under 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), this Agreement is an "executory contract" within the meaning of Section 365 of the Bankruptcy Code and, therefore, the Subservicer shall have no right to modify on any basis whatsoever (other than in accordance with the terms hereof), including without limitation Section 105 of the Bankruptcy Code, any of the terms, provisions or conditions of this Agreement in any such bankruptcy proceeding and hereby irrevocably waives any such right. Further, the Subservicer acknowledges and agrees that its services provided under this Agreement are essential and should the Subservicer fail to perform its obligations under this Agreement, the Owner/Servicer shall suffer irreparable harm and, consequently, the Owner/Servicer shall have the right to seek on an expedited basis an order from the bankruptcy court: (a) lifting the Section 362 automatic stay so as to permit the Owner/Servicer to terminate this Agreement; and (b) compelling the Subservicer to immediately assume or reject this Agreement in accordance with the provisions of Section 365 of the Bankruptcy Code. In the event this Agreement is rejected under Section 365 of the Bankruptcy Code, this

Agreement shall be terminated and the Subservicer agrees to immediately comply with its obligations under this Agreement with respect to termination of this Agreement in accordance with Section 5.4 hereof. Finally, the Subservicer acknowledges and agrees that Section 506(c) of the Bankruptcy Code has no application to this Agreement and, even if it did, the Subservicer hereby expressly waives any right to surcharge the Owner/Servicer under Section 506(c) of the Bankruptcy Code.

Section 10.17. Restrictions of Notices; Information and Disclosure.

Notwithstanding anything else herein, nothing in this Agreement shall require any party to provide any notice, information, investigation, audit, correspondence, and any other communication (collectively, "Information") to any other party (1) if providing such Information is prohibited by Applicable Requirements or any other contractual or legal obligation or legal restriction or (2) upon any advice of counsel (which may be internal counsel), if providing such Information may cause such party to lose attorney-client privilege, attorney work product privilege or other similar protections (governed by the applicable jurisdiction); provided that, in the case of clause (1), except with respect to any such prohibition imposed by a Governmental Authority, Freddie Mac or Fannie Mae, the disclosing party shall use commercially reasonable efforts to obtain consent to such disclosure from the applicable third party unless disclosing party reasonably believes that such consent will not be attainable.

[Signature Page Follows]

IN WITNESS WHEREOF, each party has caused this instrument to be signed in its corporate name on its behalf by its proper officials duly authorized as of the day, month and year first above written.

NEW PENN FINANCIAL, LLC, d/b/a
SHELLPOINT MORTGAGE SERVICING

By: /s/ Nicola Santaoro, Jr.
Name: Nicola Santoro, Jr.
Title: Attorney-in-Fact, Agent and Authorized Signatory

[*Signature Page to Subservicing Agreement*]

OCWEN LOAN SERVICING, LLC

By: /s/ John P. Kim
Name: John P. Kim
Title: President and Chief Executive Officer

[*Signature Page to Subservicing Agreement*]

Acknowledged and Agreed to with respect to Exhibit B:

NEW RESIDENTIAL MORTGAGE LLC

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer and Chief Operating Officer

EXHIBIT A

FORM OF ACKNOWLEDGMENT AGREEMENT

On this _____ day of _____, 20___, New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing (the "Owner/Servicer") and Ocwen Loan Servicing, LLC (the " Subservicer"), hereby acknowledge that the Mortgage Loans listed on the Mortgage Loan Schedule attached hereto as Schedule I are subject to (a) that certain Subservicing Agreement, dated as of August 17, 2018, by and between the Owner/Servicer and the Subservicer (the "Agreement") and (b) those certain servicing agreements (the "Underlying Servicing Agreements "), as listed on Schedule II attached hereto. Notwithstanding any provision to the contrary, the Owner/Servicer retains all rights and obligations to the Servicing Rights relating to the Mortgage Loans subject to the contractual provisions of the Agreement and the Underlying Servicing Agreements. The Subservicer hereby agrees to service such Mortgage Loans pursuant to the terms of the Agreement.

1. With respect to the Mortgage Loans made subject to the Agreement hereby, the Transfer Date shall be [_____].

2. With respect to the Mortgage Loans made subject to the Agreement hereby, the following terms shall apply:

[Insert any amendments to the Agreement, including any update Performance Triggers]

All other terms and conditions of this transaction shall be governed by the Agreement. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Agreement.

This Acknowledgment Agreement may be executed simultaneously in any number of counterparts. Each counterpart shall be deemed to be an original, and all such counterparts shall constitute one and the same instrument. Telecopy or electronically transmitted signatures shall be deemed valid and binding to the same extent as the original.

IN WITNESS WHEREOF, the Owner/Servicer and the Subservicer have caused their names to be signed hereto by their respective officers thereunto duly authorized as of the day and year first above written.

NEW PENN FINANCIAL, LLC,
D/B/A SHELLPOINT MORTGAGE SERVICING,
as the Owner/Servicer

By: _____

Name: _____

Title: _____

OCWEN LOAN SERVICING, LLC,
as the Subservicer

By: _____

Name: _____

Title: _____

Exhibit A-3

EXHIBIT B

THIS PAGE AND THE FOLLOWING 14 PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

ANNEX ONE

THIS PAGE AND THE FOLLOWING PAGE OF THIS ANNEX HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT 1

LEVEL OF DISCLOSURE SCHEDULE

THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT C-1

TERMINATION FEE

For any Effective Date of Termination during the Initial Term, the Termination Fee shall be an amount equal to the sum of the amounts in each of the "Primary/Subservicing" and, if applicable, the "Master Servicing" columns opposite the applicable period in which such Effective Date of Termination occurs and calculated pursuant to Exhibit C-2.

Final

5 Years Ending July, 2022

Period	Primary	Master
Jul-17	[***]	[***]
Aug-17	[***]	[***]
Sep-17	[***]	[***]
Oct-17	[***]	[***]
Nov-17	[***]	[***]
Dec-17	[***]	[***]
Jan-18	[***]	[***]
Feb-18	[***]	[***]
Mar-18	[***]	[***]
Apr-18	[***]	[***]
May-18	[***]	[***]
Jun-18	[***]	[***]
Jul-18	[***]	[***]
Aug-18	[***]	[***]
Sep-18	[***]	[***]
Oct-18	[***]	[***]
Nov-18	[***]	[***]
Dec-18	[***]	[***]
Jan-19	[***]	[***]
Feb-19	[***]	[***]
Mar-19	[***]	[***]
Apr-19	[***]	[***]
May-19	[***]	[***]
Jun-19	[***]	[***]
Jul-19	[***]	[***]
Aug-19	[***]	[***]
Sep-19	[***]	[***]
Oct-19	[***]	[***]
Nov-19	[***]	[***]
Dec-19	[***]	[***]
Jan-20	[***]	[***]

Feb-20	[***]	[***]
Mar-20	[***]	[***]
Apr-20	[***]	[***]
May-20	[***]	[***]
Jun-20	[***]	[***]
Jul-20	[***]	[***]
Aug-20	[***]	[***]
Sep-20	[***]	[***]
Oct-20	[***]	[***]
Nov-20	[***]	[***]
Dec-20	[***]	[***]
Jan-21	[***]	[***]
Feb-21	[***]	[***]
Mar-21	[***]	[***]
Apr-21	[***]	[***]
May-21	[***]	[***]
Jun-21	[***]	[***]
Jul-21	[***]	[***]
Aug-21	[***]	[***]
Sep-21	[***]	[***]
Oct-21	[***]	[***]
Nov-21	[***]	[***]
Dec-21	[***]	[***]
Jan-22	[***]	[***]
Feb-22	[***]	[***]
Mar-22	[***]	[***]
Apr-22	[***]	[***]
May-22	[***]	[***]
Jun-22	[***]	[***]
Jul-22	[***]	[***]
Aug-22	-	-

EXHIBIT C-2

TERMINATION FEE CALCULATION

Definitions

Deal-Level UPB: By Ocwen investor code ("deal"), the unpaid principal balance of Mortgage Loans associated with each deal will be fixed for the purposes calculations under this Exhibit C-2 as of the month-end following Subservicer's receipt of notification of termination without cause. To the extent Mortgage Loans serviced under RMSR 2.0 are transferred to a third party while this Agreement is still in effect, Deal-Level UPB will be based on the month-end UPB immediately preceding such transfer date.

Investor Transferred Percentage: A fraction which equals (A) the Deal-Level UPB of Mortgage Loans being subserviced under this Agreement that with respect to which the subservicing or servicing is being terminated solely pursuant to Section 5.7(c) divided by (B) the sum of (i) the aggregate Deal-Level UPB with respect to all Mortgage Loans being subserviced under this Agreement, (ii) the aggregate Deal-Level UPB with respect to all Mortgage Loans being serviced under RMSR 2.0, (iii) the aggregate Deal-Level UPB with respect to all Primary Mortgage Loans being serviced under MSRPA Servicing Agreements, (iv) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to Ocwen pursuant to Section 9.2, 9.3 or 9.4 of the Master Agreement and (v) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to a third party pursuant to Section 9.3 of the Master Agreement (calculated at the time of sale of such interests to third parties and amortized at 15%/year until the month-end following Subservicer's receipt of notification of termination without cause).

MSRPA Servicing Agreements: As defined in the Master Agreement.

Primary Mortgage Loans: As defined in the Master Agreement.

RMSR 2.0: The New RMSR Agreement (as defined in the Master Agreement).

Transferred Percentage: A fraction which equals (A) the Deal-Level UPB of Mortgage Loans being subserviced under this Agreement and serviced under RMSR 2.0 that with respect to which the subservicing or servicing is being terminated for any reason under this Agreement (other than Section 5.3 and Section 5.7) divided by (B) the sum of (i) the aggregate Deal-Level UPB with respect to all Mortgage Loans being subserviced under this Agreement, (ii) the aggregate Deal-Level UPB with respect to all Mortgage Loans being serviced under RMSR 2.0, (iii) the aggregate Deal-Level UPB with respect to all Primary Mortgage Loans being serviced under MSRPA Servicing Agreements, (iv) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which have been transferred to Ocwen pursuant to Section 9.2, 9.3 or 9.4 of the Master Agreement and (v) the aggregate Deal-Level UPB in respect of any Primary Mortgage Loans serviced under MSRPA Servicing Agreements the interests in which

have been transferred to a third party pursuant to Section 9.3 of the Master Agreement (calculated at the time of sale of such interests to third parties and amortized at 15%/year until the month-end following Subservicer's receipt of notification of termination without cause).

Termination Fee Deposit Amount : Except with respect to a termination of Subservicer by an Investor pursuant to Section 5.7(c), with respect to the termination of Subservicer under this Agreement or RMSR 2.0 transferred pursuant to a termination without cause or an RMSR 2.0 transfer to a third party during the Initial Term is calculated for each date on which subservicing or RMSR 2.0 is transferred by multiplying the Transferred Percentage by the Termination Fee associated as of the actual transfer date from Exhibit C-1.

Termination Fee (Investor) Deposit Amount : Solely with respect to a termination without cause of Subservicer by an Investor pursuant to Section 5.7(c) prior to the expiration of the Initial Term is calculated for each date on which subservicing is transferred by multiplying the Investor Transferred Percentage by the Termination Fee associated as of the actual transfer date from Exhibit C-1.

EXHIBIT D

EXIT FEE PERCENTAGE

Period	Exit Fee Percentage (basis points)
Jul-17	[***]
Aug-17	[***]
Sep-17	[***]
Oct-17	[***]
Nov-17	[***]
Dec-17	[***]
Jan-18	[***]
Feb-18	[***]
Mar-18	[***]
Apr-18	[***]
May-18	[***]
Jun-18	[***]
Jul-18	[***]
Aug-18	[***]
Sep-18	[***]
Oct-18	[***]
Nov-18	[***]
Dec-18	[***]
Jan-19	[***]
Feb-19	[***]
Mar-19	[***]
Apr-19	[***]
May-19	[***]
Jun-19	[***]
Jul-19	[***]
Aug-19	[***]
Sep-19	[***]
Oct-19	[***]
Nov-19	[***]
Dec-19	[***]
Jan-20	[***]
Feb-20	[***]
Mar-20	[***]
Apr-20	[***]
May-20	[***]
Jun-20	[***]
Jul-20	[***]
Aug-20	[***]

Sep-20	[***]
Oct-20	[***]
Nov-20	[***]
Dec-20	[***]
Jan-21	[***]
Feb-21	[***]
Mar-21	[***]
Apr-21	[***]
May-21	[***]
Jun-21	[***]
Jul-21	[***]
Aug-21	[***]
Sep-21	[***]
Oct-21	[***]
Nov-21	[***]
Dec-21	[***]
Jan-22	[***]
Feb-22	[***]
Mar-22	[***]
Apr-22	[***]
May-22	[***]
Jun-22	[***]
Jul-22	[***]

Exhibit D-2

EXHIBIT E-1

LIST OF SERVICING REPORTS

"Critical Report"	"Regulatory Report"	Name of Report	Report #	Updates #	Frequency
Yes	No	Navigant Daily File Loan Level Extract	E-1	*	Daily (by noon ET)
Yes	No	Service Fee Reports ("Service Fee Daily Report")	E-2(a)	*	Daily (by noon ET)
Yes	No	Service Fee Reports ("NRZ MS Dynamics File")	E-2(b)	*	Daily (by noon ET)
Yes	No	Remittance File	E-3	*	Daily (by noon ET)
Yes	No	NRZ Primary MSR Data Tape	E-4	*	Monthly by 10th BU day
Yes	No	Reconciliation Report	E-5	*	As specified Section 4.1
Yes	No	Advance Reports ("MRA AF Daily File")	E-6(a)	*	Daily (by noon ET)
Yes	No	Advance Reports ("NRZ NBB Loan Level File")	E-6(b)	*	Monthly by 7th BU day
Yes	No	Portfolio Strat Reports	E-7	*	Monthly by 7th BU day.
No	No	Mortgagor Litigation Report	E-8	*	Monthly (by 5th BU day)
No	No	Corporate Matters Report	E-9	*	Monthly (by 15th)
No	No	Performance Reports	E-10	*	Monthly (by 20th)
No	No	Material Changes to Subservicer's, Corporate Parent or any of their respective Affiliates' Policies and Procedures	*	E-A1	Monthly (by 20th)
No	No	Basic Complaint Report	E-12(a)	*	Monthly (by 5th BU day)
No	No	Escalated Complaint Case Data Report	E-12(b)	*	Monthly (by 5th BU day)
No	No	Notice of Error and Request for Information Reports	E-13	*	Monthly (by 7th BU day)
No	No	Portfolio Roll Rate Reports	E-14	*	Monthly (by 7th BU day)
No	No	Monthly Financial Covenant Certification	*	E-A2	As provided in Section 2.22
No	No	Advance Threshold Report	E-15	*	Monthly (by 20th)
No	No	Back-up Servicer Files	E-16	*	As agreed to with the Back-up Servicer

"Critical Report"	"Regulatory Report"	Name of Report	Report #	Updates #	Frequency
No	No	MI Rescission Report	E-17	*	Monthly (by 15th)
No	No	Land Title Adjustment Report	E-18	*	Monthly (by 7th BU day)
No	No	Ancillary Income Report	E-19	*	Monthly (by 15th)
No	No	Ocwen Daily Subservicing File	E-20	*	Daily (by noon ET)
No	No	Ocwen Monthly Subservicing File	E-21	*	Monthly (by 7th BU day)
No	No	Exhibit Q Information	*	E-A3	Quarterly (by 45th calendar day
No	No	Provide Fidelity and Errors and Omissions Insurance	*	E-A4	Quarterly (by 45th calendar day
No	No	Customer Service Statistics	E-22	*	Quarterly (by 45th calendar day
No	No	Tracking Report regarding Privacy Notices	E-23	*	Quarterly (by 20th)
No	Yes	NYS VOSR Template	E-24	*	Quarterly (20 days after Quarter-End)
No	Yes	MBFRF Template	E-25	*	Quarterly (20 days after Quarter-End)
No	Yes	MCR Template	E-26	*	Quarterly (30 days after Quarter-End)
No	Yes	Illinois Default and Foreclosure Template	E-27	*	Semi-Annual (by 20th calendar day of July)
No	Yes	California CRMLA Template	E-28	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Illinois Report of Servicing Activity Template	E-29	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Michigan Mortgage Brokers, Lenders and Servicers Template	E-30	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Missouri Report of Residential Mortgage Loan Broker Activity Template	E-31	*	Annual (by 45th calendar day after fiscal year-end)
No	Yes	Washington Consumer Loan Assessment Report Template	E-32	*	Annual (by 45th calendar day after fiscal year-end)

Exhibit E-2

"Critical Report"	"Regulatory Report"	Name of Report	Report #	Updates #	Frequency
No	Yes	Washington Consumer Loan Assessment Report Template	E-33	*	Annual (by 45th calendar day after fiscal year-end)
No	No	Regulation AB Compliance Report	*	E-A5	As defined in Agreement
No	No	Uniform Single Attestation Program Compliance Report	*		As defined in Agreement
No	No	SOC 1 Type II of Critical Vendors of Subservicer (or such other Type as may be reasonably satisfactory to Owner/Servicer)	*	E-A6	Within 30 days of receipt, but no later than January 31
No	No	SOC 1 Type II of Subservicer covering a minimum period of nine (9) months	*	E-A7	Within 30 days of receipt, but no later than January 31
No	No	SOC 1 Type II Bridge Letter of Subservicer covering a maximum period of three (3) months	*	E-A8	No later than January 31

EXHIBIT E-2

FORMATTED SERVICING REPORTS

THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT F

SERVICE LEVEL AGREEMENTS

The following constitute the SLAs with respect to primary and subservicing (the " SLAs"), as may be updated from time to time in accordance with the terms hereof:

[***]

Notes to Primary/Subservicing SLAs:

- As a reference population, "**Total Servicing Portfolio**" means, for any measurement period, all mortgage loans serviced by Subservicer, other than (1) mortgage loans with respect to which the Subservicer is solely performing master servicing functions, (2) reverse mortgage loans and (3) commercial mortgage loans. "**NRM Portfolio**" means, as of any date of determination, all mortgage loans serviced by Subservicer under any agreement between the Subservicer and the Owner/Servicer or any of its Affiliates, excluding (1) mortgage loans with respect to which the Subservicer is solely performing master servicing functions, (2) reverse mortgage loans and (3) commercial mortgage loans.

- The penalty amount is the baseline penalty assessed in case the penalty threshold is exceeded. This baseline value is subject to a multiplier of either two or three, depending on whether the double penalty threshold or the triple penalty threshold, respectively, is exceeded.

- In the event of a major computer software system change to the Subservicer's primary servicing system, the parties will agree to waive the Excessive SLA Failure Trigger Event and the Excessive SLA Failure Trigger for a period of six (6) calendar months from the date that such system change was implemented; provided that the Subservicer provided at least ninety (90) days' notice to the Owner/Servicer of such system change. The same applies to all relevant SLAs in case of major changes to a particular area of Subservicer's servicing (for example, foreclosure activities).

- Penalties can only be assessed for a particular frequency period if the penalty threshold was exceeded both in that frequency period and in the prior frequency period.

- Penalties for SLAs will be waived by mutual agreement of the parties on the basis of major events beyond Subservicer's control that could be reasonably expected to have a material impact on the NRM Portfolio, conflicts or issues with vendors selected by Owner/Servicer, regulatory changes, force majeure events, or events affecting the mortgage servicing industry as a whole and not specific to Subservicer. In these cases, the specific penalty and incentive thresholds and amounts may also be recalibrated on an ongoing basis or for a specific period of time upon mutual agreement. In addition, recalibrations of this sort will be mutually agreed to in case of changes to measurement methodologies and regulatory or investor requirements or requests.

- To the extent the parties do not mutually agree on the basis of any event or conditions giving rise to a waiver of all penalties, accelerated penalties or a recalibration of the penalty thresholds, the party requesting such waiver or recalibration shall provide a written justification for such request, with sufficient detail to permit the other party to evaluate and respond. If such party continues to dispute the basis of the requested waiver or recalibration, within a reasonable period of time not to exceed thirty (30) days, the parties shall submit such matter to a dispute resolution process (other than litigation). Upon resolution, the successful party shall be entitled to recover as part of its claim its reasonable, out of pocket costs and expenses, including reasonable out-of-pocket attorneys' fees, incurred in prosecuting such claim. To the extent any unpaid amounts are determined to be payable, such amounts will be paid at an annual rate of five percent (5%) over the Prime Rate.

- For any SLA, if the total number of loans in the applicable population which serves as the denominator in the calculation falls below 100 for any month, (i) that month shall be excluded from monthly SLA calculations and (ii) such measurement period will increase from monthly to quarterly (or quarterly to annually, as applicable) so that there are 100 measurements.

- For each SLA, performance statistics will be calculated on the basis of reference data with a typical trailing period of one month but no more than two months, except in cases where the SLA metric indicates a longer moving average calculation.

- The maximum net penalty or incentive amount for all applicable SLAs in a given month is capped at 15% of the monthly base subservicing fee that Subservicer receives under the Subservicing Agreement, except during the 6 month period immediately following a major system change in which the maximum net penalty or incentive amount for all applicable SLAs in a given month for such 6-month period is then capped at 25% of the monthly base subservicing fee that Subservicer receives under the Subservicing Agreement.

- The SLA reporting will begin with the data collected during the measurement period beginning on October 1, 2017, and the first reports of SLA data will be provided in December 2017; provided that, to the extent sufficient data is available to calculate metrics or estimates, Subservicer shall provide interim reporting during the period prior to December 2017 for such SLAs.

- In addition to the Subservicer's other reporting obligations set forth in Section 2.8 of the Agreement, Subservicer will report on SLA metrics and calculations in a format reasonably requested by the Owner/Servicer, and as described below. Subservicer will report these calculations within the first five business days of the month, and any exceptions to the timeline are to be reported as soon as possible, with the applicable reports delivered no later than the tenth business of the month.

    - With respect to monthly SLAs, on a monthly basis, taking into account a one- or two-month trailing period, the Subservicer will provide the Owner/Servicer a report setting forth the following:

- the monthly performance metric for each monthly SLA and the monthly data that was used to calculate this metric or (i) notification of SLAs requiring a two-month trailing period and to be included on the following month's report or (ii) reclassification of any monthly SLA as a quarterly SLA due to the decreased volume of the applicable population;

- any complete waivers or waivers of double or triple penalties for any SLAs;

- the applicable penalty or incentive rates for each SLA [1]; and

- the penalty or incentive dollar amounts assessed for each SLA.

o With respect to quarterly SLAs, in addition to monthly reports on the estimated performance metrics (to the extent available), on a quarterly basis, taking into account a one- or two-month trailing period, the Subservicer will provide the Owner/Servicer with a report setting forth the following:

- the quarterly performance metric for each SLA and the relevant monthly data that was used to calculate this metric or (i) notification of SLAs requiring a two-month trailing period and to be included on the following month's report or (ii) reclassification of any quarterly SLA as an annual SLA due to the decreased volume of the applicable population;

- any complete waivers or waivers of double or triple penalties for any SLAs for any month in the applicable quarter;

- the penalty or incentive rates for each SLA in each month of the applicable quarter [2];

- the penalty or incentive dollar amounts assessed for each SLA in each month of the applicable quarter; and

- the total penalty or dollar amount assessed for the applicable quarter.

o Reporting on annual SLAs (if applicable due to volume considerations) will be similar to the reporting for quarterly SLAs, with monthly estimates of performance metrics provided on a monthly basis (to the extent available) and definitive reports provided on an annual basis.

The following constitute the service level agreements with respect to Master Servicing (the " Master Servicing SLAs"), as may be updated from time to time in accordance with the terms hereof:

1 Note that in the case of waived SLAs, or SLAs where the penalty threshold was not exceeded in the prior frequency period, the penalty rate will be zero.
2 Note that this rate will be the same for each of the three months in the quarter unless a complete waiver or waiver of double or triple penalties was in effect for some but not all months of that quarter.

[***]

Notes to Master Servicing SLAs:

- As a reference population, "**NRM Portfolio**" means, for any measurement period, all mortgage loans with respect to which the Subservicer is performing master servicing functions under any agreement between the Subservicer and the Owner/Servicer or any of its Affiliates. "**All Primary Servicers > 1,000 Loans** " means, for any measurement period, all primary servicers that are servicing more than 1,000 loans in the NRM Portfolio.

- All penalties and incentives for Master Servicing SLAs are calculated as a percentage of the monthly base subservicing fee that Subservicer receives for performing Master Servicing functions under the Subservicing Agreement (the "Monthly Sub-Master Servicing Fee").

- For each quarterly Master Servicing SLA, the Subservicer will assess performance during each of the three months of a given calendar quarter (with a trailing period of one month) and, when such performance assessments have been made for all three months of the quarter, the Subservicer will calculate the average of the monthly performance metrics, which will be the "quarterly performance metric" for such Master Servicing SLA.

- Penalty and incentive rates for each quarterly Master Servicing SLA will be assessed on a monthly basis by comparing the quarterly performance metric for the calendar quarter in which that month occurs with each of the penalty, exception and incentive thresholds that are applicable in that month.

- With respect to each quarterly Master Servicing SLA, the dollar amount of the penalty or incentive for each month is the product of the Monthly Sub-Master Servicing Fee and the penalty or incentive rate for that month. The dollar amount of the penalty or incentive for each calendar quarter is the sum of the penalties or incentives for each of the three months in that calendar quarter.

- Annual Master Servicing SLAs will be assessed in an analogous manner to quarterly Master Servicing SLAs, except that the adjustments to the monthly performance metric will be based on annual rather than quarterly adjustments.

- Penalties can only be assessed for a particular frequency period if the penalty threshold was exceeded both in that frequency period and in the prior frequency period.

- In the case of any system conversion relating to Master Servicing core systems (SBO2000, DDS, DMS), penalties will be assessed on the basis of the exception threshold instead of the penalty threshold. In addition, (a) for any Master Servicing

SLA in the "Securities Administration" category, the exception threshold will apply in case either (i) the number of cleanup calls involving loans in the reference population in a given month exceeds twenty (20) or (ii) the number of new deals involving loans in the reference population in a given month is greater than or equal to five (5); and (b) for any Master Servicing SLA in the "Servicer Management" or "Loan Operations" categories, the exception threshold will apply in case of the addition of three (3) or more new primary servicers in a given month. Exception thresholds will apply for three (3) consecutive months including the month during which the exception event occurs.

- Penalties for Master Servicing SLAs may be waived by the parties on the basis of major events beyond Ocwen's control, conflicts or issues with vendors selected by NRM, regulatory changes, force majeure events, or events affecting the mortgage servicing industry as a whole and not specific to Ocwen. In these cases, the specific penalty and incentive thresholds and rates may also be recalibrated on an ongoing basis or for a specific period of time. In addition, recalibrations of this sort will be considered in case of changes to measurement methodologies and regulatory or investor requirements or requests.

- Any newly boarded loans will not be included in the referenced population for the purpose of calculations for a period of time agreed to by the parties, after which period the thresholds may be recalibrated by mutual agreement of the parties. In addition, any loans that are impacted by errors or delays caused by prior servicers will be excluded from the referenced population.

- If the total number of securitization trusts in the NRM Portfolio falls below 400, all Master Servicing SLAs will be recalibrated.

- To the extent the parties do not mutually agree on the basis of any event or conditions giving rise to a waiver of all penalties, accelerated penalties or a recalibration of the penalty thresholds, the party requesting such waiver or recalibration shall provide a written justification for such request, with sufficient detail to permit the other party to evaluate and respond. If such party continues to dispute the basis of the requested waiver or recalibration, within a reasonable period of time not to exceed thirty (30) days, the parties shall submit such matter to a dispute resolution process (other than litigation). Upon resolution, the successful party shall be entitled to recover as part of its claim its reasonable, out of pocket costs and expenses, including reasonable out-of-pocket attorneys' fees, incurred in prosecuting such claim. To the extent any unpaid amounts are determined to be payable, such amounts will be paid at an annual rate of five percent (5%) over the Prime Rate.

- The Master Servicing SLA reporting will begin with the data collected during the measurement period beginning on the later of (i) October 1, 2017 and (ii) the first of the month following the date on which Subservicer begins Master Servicing under this Agreement.

- In addition to reports on monthly estimates for Master Servicing SLA performance metrics, within the first five business days of the second month of each calendar quarter, Subservicer will provide Owner/Servicer with a report setting forth:
    - the quarterly performance metric for each of the Master Servicing SLAs from the prior calendar quarter and all monthly data that was used in the calculation of this metric;
    - any exception events that occurred in the prior calendar quarter and, for each Master Servicing SLA and each month of the prior calendar quarter, whether the exception threshold applied in that month;
    - the penalty or incentive rates for each Master Servicing SLA in each month of the prior calendar quarter[3];
    - the penalty or incentive dollar amounts assessed for each Master Servicing SLA in each month of the prior calendar quarter; and
    - the total penalty or incentive dollar amounts assessed for the prior calendar quarter.
- Reporting on annual Master Servicing SLAs will be similar to the reporting for quarterly SLAs, with monthly estimates of performance metrics provided on a monthly basis and definitive reports provided on an annual basis.

3 Note that this rate will be the same for each of the three months in the calendar quarter unless the exception threshold applies in some but not all of these months.

EXHIBIT G

THIS PAGE HAS BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT H

FORM OF MONTHLY FINANCIAL COVENANT CERTIFICATION

I, _____, chief financial officer of Ocwen Loan Servicing LLC (" Subservicer"), do hereby certify that:

(i) [***];

(ii) [***];

(iii) [***]; and

(iv) the attached supporting documentation and backup attached to this Monthly Financial Covenant Certification are true and correct.

Capitalized terms used but not defined herein shall have the meanings assigned thereto in the Subservicing Agreement, dated as of August 17, 2018 (the "Agreement"), between New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing and the Subservicer.

IN WITNESS WHEREOF, I have signed this certificate.

Date: _____, 20__

[_____]

By:_____,

_____
Name:
Title:

EXHIBIT I-1

CRITICAL VENDORS

Vendor Name	Vendor Tier Final	Description	Offshore
[***]	Tier 2.0	Writes custom software code [***]	No
[***]	Tier 2.0	Providing image extraction services	No
[***]	Tier 2.0	Used to have [***] signed electronically	No
[***]	Tier 2.0	Optional [***] Product	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Print and Mail Services [***]	No
[***]	Tier 1.0	[***]	Yes
[***]	Tier 1.0	Collections [***]	Yes
[***]	Tier 1.0	Default software solutions for lenders, servicers, real estate agents and other mortgage and real estate industry professionals.	Yes
[***]	Tier 1.0	Title/Loss Mitigation [***]	Yes
[***]	Tier 1.0	[***] Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Property Preservation & Inspection [***]	Yes
[***]	Tier 1.0	[***] Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	[***] Short Sale Deed in Lieu	Yes
[***]	Tier 1.0	Loss Mitigation Title	Yes
[***]	Tier 1.0	Loss Mitigation Services	Yes
[***]	Tier 1.0	Valuations	Yes
[***]	Tier 1.0	Foreclosure, Bankruptcy & Closing or Trustee	No
[***]	Tier 1.0	Servicing platform	Yes
[***]	Tier 2.0	Document and title policy retrieval	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Software/call center. Acquires new hardware, software and/or maintenance and support.	No

Vendor Name	Vendor Tier Final	Description	Offshore
[***]	Tier 1.0	[***] Flood, and Wind insurance vendor as well as Loss Draft claim processing	Yes
[***]	Tier 2.0	Provides Optional [***] products to Ocwen borrowers	No
[***]	Tier 2.0	[***]	Yes
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.0	[***] Communications and Contact Center Solution.	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.0	Online Credit Reports	No
Center for NYC Neighborhoods	Tier 2.1	Community Outreach	No
Citizen Action of New Jersey	Tier 2.1	Community Outreach	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	[***] QA Review Process	No
[***]	Tier 2.0	Provider of Asset Disposal Services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Document Imaging and repository services	Yes
[***]	Tier 1.0	Flood insurance determinations & tracking [***] flood zone monitoring	Yes

Vendor Name	Vendor Tier Final	Description	Offshore
[***]	Tier 1.0	Review of Real Estate Taxes Owed	Yes
[***]	Tier 1.0	[***] AVM	Yes
[***]	Tier 2.2	[***] Document Custodians	Yes
[***]	Tier 2.0	[***] claim recovery services	No
[***]	Tier 2.1	Nonprofit organization offering borrower outreach and housing counseling services.	No
[***]	Tier 2.0	[***] Credit Reports to Borrowers	No
[***]	Tier 2.0	IT Asset Recovery and disposal services	No
[***]	Tier 2.0	[***]	No
[***]	Tier 1.1	Services related to Deed in Lieu [***]	Yes
[***]	Tier 2.0	[***]	No
[***]	Tier 1.1	Verbal translation services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
H.E.L.P. Community Development Corporation	Tier 2.1	Community Outreach	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Collections/Recovery	No
HomeFree USA	Tier 2.1	Community Outreach	No
HomeFree USA	Tier 2.1	Community Outreach	No
Homeownership Preservation Foundation	Tier 1.1	Community Outreach	No
Hope Loan Port Inc.	Tier 2.0	Portal for modification submission	No
[***]	Tier 2.0	Platform that manages the borrower complaints	Yes
[***]	Tier 1.1	Lien Release, Assignment preparation and recording services	Yes

Vendor Name	Vendor Tier Final	Description	Offshore
[***]	Tier 2.0	Software license agreement for MortgageRx cloud-based software. MortgageRx will be used by Ocwen Investor Services department for QA process compliance tests.	Yes
[***]	Tier 2.0	Document storage and shredding	Yes
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.0	Document Storage	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Collections/Recovery	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.0	IT consulting service [***]	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.2	Maintains database [***]	No
[***]	Tier 2.0	[***] services and support	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Electronic payment provider	Yes
National Community Reinvestment Coalition (NCRC)	Tier 2.1	Community Outreach	No

Vendor Name	Vendor Tier Final	Description	Offshore
National Council of LaRaza (NCRL)	Tier 2.1	Community Outreach	No
[***]	Tier 2.2	Mortgage Insurance company	No
Neighborhood Housing Services of Chicago Inc.	Tier 2.1	Community Outreach	No
Neighborhood Housing Services of Greater Cleveland	Tier 2.1	Community Outreach	No
Neighborhood Housing Services of New York City Inc.	Tier 2.1	Community Outreach	No
[***]	Tier 1.1	[***] Notary Services	No
[***]	Tier 2.0	[***] updating consumer data and processing [***]	Yes
[***]	Tier 1.0	Electronic payment provider [***]	No
[***]	Tier 1.1	Accounts Payable (AP) platform	Yes
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.2	[***]	No
[***]	Tier 1.0	Valuation [***]	No
[***]	Tier 1.1	Provides Security Services [***]	Yes
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	[***] data center, [***]	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Collections/Recovery	No
[***]	Tier 2.2	Document Custodian	No
[***]	Tier 2.0	[***] computer-assisted legal research.	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No

Vendor Name	Vendor Tier Final	Description	Offshore
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
Sacramento Neighborhood Housing Services, Inc. dba NeighborWorks HomeOwnership Center Sacramento Region	Tier 2.1	Community Outreach	No
[***]	Tier 1.0	Property Preservation and Inspection services [***]	No
[***]	Tier 2.0	Document redaction services [***]	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Recording Services	No
[***]	Tier 2.0	Research Websites [***]	No
[***]	Tier 2.0	Provides Broker Price Opinion Valuation Services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1		No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
Springboard Non Profit Consumer Credit Management, Inc.	Tier 2.1	Community Outreach	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No

Vendor Name	Vendor Tier Final	Description	Offshore
[***]	Tier 1.0	[***] print and mailing services	No
[***]	Tier 2.2	Document Custodian	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.0	Credit Bureau. [***]	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.2	Document Custodian	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	Print and Mailing services	No
[***]	Tier 1.0	Printing and Mailing Letters [***]	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	[***]	No
[***]	Tier 1.0	[***]	No
[***]	Tier 1.0	Document Custodian	No
[***]	Tier 1.0	Electronic payment provider	Yes
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 2.2	Document Custodian	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No
[***]	Tier 1.0	[***]	No
[***]	Tier 1.1	Foreclosure, Bankruptcy & Closing or Trustee services	No

EXHIBIT I-2

CRITICAL REO DISPOSITION VENDORS

Vendor Name	Vendor Tier Final	Description	Offshore
[***]	Tier 1.0	Real Estate Owned (REO) Management	Yes
[***]	Tier 2.0	REO Property Manager	No
[***]	Tier 2.0	REO management services	No

EXHIBIT J

PERFORMANCE TRIGGERS

A. **Initial Performance Triggers**

The following shall represent the applicable Performance Triggers, as may be modified from time to time in accordance with the terms hereof, and to be assessed on the basis of data collected from the first full Quarter following the Effective Date:

1. the Quarterly Average Delinquency Ratio exceeds [***] (the " Delinquency Trigger Event");

2. the Quarterly Average Foreclosure Sale Ratio falls below [***] (the " Foreclosure Sale Trigger") for two consecutive Quarters (the "Foreclosure Sale Trigger Event");

3. the Quarterly Average Workout Ratio falls below [***] (the " Workout Trigger") for two consecutive Quarters (the "Workout Trigger Event"); and

4. the Net SLA Monthly Penalty Amount exceeds [***] of the Monthly Fee Amount for such month (the "Excessive SLA Failure Trigger") in every month for two consecutive Quarters (the " Excessive SLA Failure Trigger Event").

Subject to the automatic modification of the Workout Trigger as set for in Section D below, any modifications to Performance Triggers shall be evidenced in writing and shall take effect in the Quarter during which such modifications were agreed to, unless the parties mutually agree otherwise. In addition to the specific provisions set forth in Sections B, C and D of this Exhibit J relating to the conditions under which a Performance Trigger may be modified, the Owner/Servicer and Subservicer agree to modify any of the above Performance Triggers from time to time in cases where there have been or will be material changes to the portfolio of Subject Loans constituting the reference class of the applicable Performance Trigger. Upon the occurrence of any Force Majeure Event, that has a material impact on the Subservicer's ability to service the Subject Loans pursuant to the Agreement, the parties will agree to waive any of the Performance Triggers to the extent affected.

B. **Delinquency Trigger Resets**

The Subservicer and Owner/Servicer shall mutually agree to a modification of the Delinquency Trigger under each of the following circumstances: (i) (x) in the event that the delinquency rate set forth in the "Seriously Delinquent As a % of Total Loans NSA" quarterly index from Mortgage Bankers Association (FORLTOSD Index on Bloomberg) (the "Index") increases by more than three percentage points from the rate set forth in such report for the month ending June 2017 and (y) thereafter, in the event of any subsequent material increase in such rate or (ii) to the extent that the Index does not capture the impact of industry-wide events which would materially impact delinquency rates (for example, industry-wide foreclosure holds imposed by states regulators).

C. **Foreclosure Sale Trigger Resets**

The Subservicer and Owner/Servicer shall mutually agree on a modification to the Foreclosure Sale Trigger in the event that one or more judicial rulings or state regulatory actions, decrees, interpretations or guidance occurs that impact more than [***] ([***]) of the total number of Subject Loans counted in the Subservicer's active foreclosure inventory on the date of such occurrence.

D. **Workout Trigger Resets**

(a) The Workout Trigger shall be modified, effective as of January 1, 2019, to an amount equal to [***] of the average monthly Workout Ratio for the calendar year of 2018 and, for each subsequent calendar year, effective as of January 1st of such year, the Workout Trigger shall be modified to an amount equal to [***] of the average monthly Workout Ratio of the prior calendar year; provided that, to the extent the Quarterly Average Workout Ratio falls below the Workout Trigger for the Quarter beginning in October and the Quarterly Average Workout Ratio is above the Workout Trigger for the following Quarter beginning in January solely as a result of the automatic modification of the Workout Trigger as set forth in this sentence, then the Workout Trigger for the Quarter beginning in January shall not be included for purposes of calculating the Workout Trigger Event and the parties agree to use the Workout Trigger for the Quarters beginning in October and April to determine if a Workout Trigger Event occurred. The parties agree that the Workout Trigger may be recalibrated after January 1, 2019 based on quarterly rather than annual averages in order to reflect seasonal fluctuations.

(b) The Subservicer and Owner/Servicer shall mutually agree on a modification to the existing (or automatically modified pursuant to clause (a) above) Workout Trigger under each of the following circumstances: (i) any regulatory changes that result in substantially lower modification rates on an industry-wide basis, (ii) the previously modified proportion of the portfolio of Subject Loans that are 60+ Day Delinquent increases to more than [***] ([***]), and thereafter, for each subsequent increase of [***] (iii) a decrease in modification eligibility of the Subject Loans due to substantial macroeconomic changes, including but not limited to, material changes in (x) home prices, (y) interest rates and/or (z) unemployment rates, and (iv) conditions materially affecting modification rates, including, for example, the availability and funding of governmental modification programs.

The Subservicer and Owner/Servicer shall mutually agree on a modification or reconstruction of the Workout Trigger to compare the Subservicer's loss mitigation performance against the performance of the mortgage servicing industry (in which the Subservicer would be expected to be within a range of average industry levels) to the extent a reliable industry benchmarking loss mitigation data has been introduced and is generally acceptable to the secondary mortgage market.

E. **Excessive SLA Failure Trigger Waivers and Applicability**

The SLAs used to calculate the Aggregate Net SLA Monthly Penalty Rate shall include all SLAs other than (i) any SLA identified as inapplicable to the Excessive SLA Failure Trigger on

Exhibit F of the Agreement, as updated from time to time by mutual agreement of the parties and (ii) any SLAs that the Owner/Servicer and Subservicer have agreed to waive or exclude on the basis of major events beyond the Subservicer's control which materially and adversely affect the servicing of the Subject Loans under the Agreement, including, without limitation, conflicts or issues with Approved Parties, any "Approved Parties" (as defined herein), Vendors selected by the Owner/Servicer, HLSS or NRM, any NRZ REO Vendor (under and as defined in the Servicing Addendum) or any subcontractors or subvendors retained by any such NRZ REO Vendor, regulatory changes, Force Majeure Events or events affecting the mortgage servicing industry as a whole and not specific to Subservicer.

In the event of a major computer software system change to the Subservicer's primary servicing system, the parties will agree to waive the Excessive SLA Failure Trigger Event and the Excessive SLA Failure Trigger for a period of six (6) calendar months from the date that such system change was implemented; provided that the Subservicer provided at least ninety (90) days' notice to the Owner/Servicer of such system change.

F. **Definitions**

"**60+ Day Delinquent**": With respect to any Subject Loan, the Mortgage Loan that would be considered sixty (60) days or more contractually delinquent following the OTS Methodology.

"**90+ Day Delinquent**": With respect to any Subject Loan, the Mortgage Loan that would be considered ninety (90) days or more contractually delinquent following the OTS Methodology.

"**Affected SLA**" : (i) In the event that there are major system changes impacting the Subservicer's servicing platform as a whole, for a period of six months following such changes or increase, all SLAs and (ii) in the event that there are major system changes impacting particular areas of the Subservicer's servicing activities, for a period of six months following such changes, all SLAs related to such areas.

For the avoidance of doubt, if there is a system change, the double and triple SLA penalties shall not count towards the Excessive SLA Failure Trigger. However, they shall count towards the Subservicer Economics and during the six month period reference above the 25% cap on adjustments to Subservicer Economics shall be in place.

"**Delinquency Ratio**": With respect to the Subject Loans, as of the end of each calendar month, the percentage equivalent of a fraction, (x) the numerator of which is the total unpaid principal balance of the Subject Loans which are 90+ Day Delinquent, including Subject Loans in foreclosure which are 90+ Day Delinquent, Subject Loans in bankruptcy which are 90+ Day Delinquent, plus the loan balance (prior to conversion to REO) of REO Properties, that were serviced or subserviced by the Subservicer during such month and (y) the denominator of which is the total unpaid principal balance of all Subject Loans.

"**Force Majeure Event**": Any event beyond the reasonable control of the Subservicer including, without limitation, strikes, work stoppages, acts of war or terrorism, insurrection,

revolution, nuclear or natural catastrophes or acts of God and interruptions, loss or malfunctions of utilities, communications or computer (software and hardware) services.

"**Foreclosure Sale Ratio**": With respect to the Subject Loans, as of the end of each calendar month, the percentage equivalent of a fraction, (x) the numerator of which is total number of Subject Loans with respect to which the foreclosure sale has been completed as of the end of the day on the last day of such calendar month, and (y) the denominator of which is the total number of Subject Loans counted in the Subservicer's foreclosure inventory (whether active or on hold) as of the end of the day on the last day of such calendar month.

"**Incentive Amount**": For each SLA, the amount computed pursuant to Exhibit F, if applicable.

"**Measurement Loans**" : Other than any Mortgage Loans with respect to which the Subservicer is solely performing Master Servicing functions, the Prior Ocwen Serviced Loans hereunder and under any NRZ Servicing/Subservicing Agreement or any mortgage loans subserviced by Subservicer pursuant to the NRM Agency Subservicing Agreement and any Mortgage Loans subject to an MSRPA Servicing Agreement (as defined in the New RMSR Agreement) as of the date of the New RMSR Agreement or that were previously subject to a Deferred Servicing Agreement (as defined in the Master Agreement) and which, in each case, are being serviced or subserviced by Subservicer for any NRZ O/S Entity or any of their respective Affiliates or securitizations sponsored by New Residential Investment Corp. or any of its subsidiaries, including on an interim basis, but excluding any Mortgage Loans with respect to which (x) the Servicing Rights have been transferred to a third party pursuant to the New RMSR Agreement or the Servicing Addendum, (y) the Rights to MSRs (as defined in the New RMSR Agreement) and Transferred Receivables Assets (as defined in the New RMSR Agreement) have been transferred to Subservicer or an Affiliate of Subservicer pursuant to the New RMSR Agreement or the Servicing Addendum or (z) the subservicing of such Mortgage Loans is being performed by a party other than Subservicer or an Affiliate of Subservicer pursuant to Section 5.7 of the Servicing Addendum.

"**Monthly Fee Amount**": For each month, an amount equal to (A) the product of (i) [***] ([***]) and (ii) the total unpaid principal balance of the Mortgage Loans as of the first Business Day of such calendar month that were subserviced by the Subservicer during such calendar month, excluding those Mortgage Loans for which Subservicer is solely performing Master Servicing functions under this Agreement, (B) divided by 12.

"**Net SLA Monthly Penalty Amount** ": For each month, the amount, if positive, equal to (A) the aggregate Penalty Amounts payable by the Subservicer, if any, with respect to the SLAs in such month minus (B)(i) if applicable, any such amounts paid as the result of a double or triple penalty multiplier for any Affected SLA and (ii) the aggregate Incentive Amounts payable to the Subservicer, if any, with respect to the SLAs in such month; provided that the amount to be included in clause (A) or (B) with respect to each Quarterly SLA shall be zero in each month prior to the initial calculation of such Quarterly SLA and for each month following such initial calculation shall be the Penalty Amount or Incentive Amount, if applicable, from the most recent calculation of such

Quarterly SLA. For the avoidance of doubt penalties and incentives related to Master Servicing SLAs shall not count towards the calculation of the Net SLA Monthly Penalty Amount.

"**New Mortgage Loan**": With respect to any existing Mortgage Loan subject to this Agreement, the NRM PLS Subservicing Agreement or the Servicing Addendum, a new mortgage loan (i) which is originated when the related Mortgagor (A) refinances such existing Mortgage Loan with proceeds from such new mortgage loan which is secured by the same mortgaged property or (B) pays off in full such existing Mortgage Loan and obtains a new mortgage loan secured by a different mortgaged property and, in each case, such refinancing or new borrowing resulted from the solicitation efforts of the Subservicer or any brokers, correspondent lenders, agents or independent contractors that Subservicer engaged to solicit such refinancing or new borrowing on its behalf and (ii) for which the related Servicing Rights are transferred to the Owner/Servicer or NRM pursuant to Exhibit B of this Agreement, the NRM PLS Subservicing Agreement or the Servicing Addendum.

"**OTS Methodology**": A method of calculating delinquency of a Subject Loan based upon The Office of Thrift Supervision method, under which method a Subject Loan is considered delinquent if the payment has not been received by the Subject Loan's next due date. For example, a Subject Loan with a due date of August 1, 2017, with no payment received by the close of business on September 1, 2017, would have been reported as delinquent on October 1, 2017.

"**Penalty Amount**": For each SLA, the amount computed pursuant to Exhibit F, including, without limitation, the application of any applicable double penalties, triple penalties or waivers and taking into account the consecutive failure requirement for a penalty to be assessed.

"**Quarter**": A period consisting of three consecutive calendar months and beginning with either January, April, July or October.

"**Quarterly Average Delinquency Ratio** ": With respect to each Quarter, the percentage equivalent of a fraction, (x) the numerator of which is the sum of the Delinquency Ratios for each of the applicable three months and (y) the denominator of which is three.

"**Quarterly Average Foreclosure Sale Ratio** ": With respect to each Quarter, the percentage equivalent of a fraction, (x) the numerator of which is the sum of the Foreclosure Sale Ratios for each of the applicable three months and (y) the denominator of which is three.

"**Quarterly Average Workout Ratio** ": With respect to each Quarter, the percentage equivalent of a fraction, (x) the numerator of which is the sum of the Workout Ratios for each of the applicable three months and (y) the denominator of which is three.

"**Quarterly SLAs**": Each SLA with a designated frequency of "quarterly" on Exhibit F.

"**Subject Loans**": Each of (i) the Measurement Loans and (ii) any Transferred-In Loans agreed upon by the parties; provided that (x) with respect to the calculation of the Foreclosure Sale Ratio, a Transferred-In Loan shall not be deemed a Subject Loan until a date that is mutually agreed

by the parties and (y) with respect to the calculation of the Workout Ratio, a Transferred-In Loan shall not be deemed a Subject Loan until a date that is mutually agreed to by the parties.

"**Transferred-In Loans**": Other than any Mortgage Loans with respect to which the Subservicer is solely performing Master Servicing functions under any NRZ Servicing/Subservicing Agreement, each of (i) any New Mortgage Loans and (ii) any Mortgage Loans that become subject to any NRZ Servicing/Subservicing Agreement pursuant to an Acknowledgement Agreement with respect to which the Subservicer is not solely performing Master Servicing functions.

"**Workout Ratio**": With respect to the Subject Loans, as of the end of each calendar month, the percentage equivalent of a fraction, (x) the numerator of which is total number of the Subject Loans with respect to which, during such month either a non-HAMP modification, a short-sale or a deed-in-lieu agreement, in each case, has been completed, and (y) the denominator of which is the total number of Subject Loans which are 60+ Day Delinquent, but excluding any Subject Loans for which the related Mortgaged Property has become an REO Property.

G. **Reporting**

In addition to the Subservicer's other reporting obligations set forth in Section 2.8 of the Agreement, with respect to the Performance Triggers, the Subservicer will, in a format reasonably requested by the Owner/Servicer, report the following to the Owner/Servicer, it being understood that Subservicer may combine such reports with the reports required to be delivered under any NRZ Servicing/Subservicing Agreement or the NRM Agency Subservicing Agreement and that delivery thereunder shall be deemed to constitute delivery hereunder:

a) With respect to the Delinquency Trigger, the Foreclosure Sale Trigger and the Workout Trigger, (i) on a monthly basis, when available, but in no case later than ten Business Days after the end of the following month, the prior month's Delinquency Ratio, Foreclosure Sale Ratio and Workout Ratio, together with the relevant data used to calculate such ratios and (ii) on a quarterly basis, when available, but in no case later than ten Business Days after the end of the first month following the applicable quarter, the Quarterly Average Delinquency Ratio, the Quarterly Average Foreclosure Sale Ratio and the Quarterly Average Workout Ratio and a comparison of such ratios to the Delinquency Trigger, the Foreclosure Sale Trigger and the Workout Trigger, respectively.

b) With respect to the Excessive SLA Failure Trigger, (i) on a monthly basis, when available, but in no case later than fifteen Business Days after the end of the following month, the Net SLA Monthly Penalty Amount for such month, which report shall include (i) a comparison to the Excessive SLA Failure Trigger, (ii) an identification of the applicable SLAs used to calculate the Net SLA Monthly Penalty Amount, (iii) any applicable Penalty Amount or Incentive Amount used to calculate the Net SLA Monthly Penalty Amount and (iv) any other relevant information (in addition to the previously delivered monthly and quarterly reports under Exhibit F to the Agreement).

EXHIBIT K

ADVANCE POLICY

THIS PAGE AND THE FOLLOWING FOUR PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT L

MSRPA SCHEDULE

MSRPA	(parties to add list of MSRPA provisions)

MSRPA	(parties to add MSRPA description)

MSRPA	(parties to add MSRPA description)

EXHIBIT M

FORM OF LIMITED POWER OF ATTORNEY

Document drafted by and
After Recording Return Document To:
Ocwen Loan Servicing, LLC
5720 Premier Park Drive, Building 3
West Palm Beach, Florida 33407
Attention: Record Services

LIMITED POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing (the "Company"), having a place of business at 1345 Avenue of the Americas, 45th Floor, North Suite, New York, New York 10105, does hereby constitute and appoint Ocwen Loan Servicing, LLC a Delaware limited liability company ("Ocwen"), having an office at 1661 Worthington Road, Suite 100, West Palm Beach, Florida 33409, by and through its officers, its true and lawful Attorney-in-Fact, in its name, place and stead and for its benefit, in connection with mortgage loans serviced by Ocwen on behalf of the Company (the "Mortgage Loans") pursuant to and subject to the terms and conditions of that certain Subservicing Agreement, as described on Exhibit A between Ocwen and the Company (the "Subservicing Agreement") for the purpose of performing all acts and executing all documents in the name of the Company necessary and incidental to the servicing of the Mortgage Loans, including but not limited to:

1. Foreclosing delinquent Mortgage Loans or discontinuing such foreclosure proceedings, including, but not limited to, the execution of notices of default, notices of sale, assignments of bids, and assignments of deficiency judgments, and appearing in the prosecuting bankruptcy proceedings;

2. Selling, transferring or otherwise disposing of real property that is or becomes subject to the Subservicing Agreement, whether acquired through foreclosure or otherwise, including, but not limited to, executing all contracts, agreements, deeds, assignments or other instruments necessary to effect such sale, transfer or disposition, and receiving proceeds and endorsing checks made payable to the order of the Company from such proceedings;

3. Preparing, executing, and delivering satisfactions, cancellations, discharges or full or partial releases of lien, subordination agreements, modification agreements, assumption agreements, substitutions of trustees under deeds of trust, and UCC-3 Continuation Statements;

4. Endorsing promissory notes and executing assignments of mortgages, deeds of trust, deeds to secure debt, and other security instruments securing said promissory notes in connection with Mortgage Loans for which Ocwen has received full payment of all outstanding amounts due on behalf of the Company;

5. Endorsing insurance proceeds checks and mortgage payment checks to the order of the Company; and

6. Any and all such other acts of any kind and nature whatsoever that are necessary and prudent to service the Mortgage Loans, in each case, in accordance with the terms and conditions in the Subservicing Agreement.

The Company further grants to Ocwen full power and authority to do and perform all acts necessary for Ocwen to carry into effect the power or powers granted by or under this Limited Power of Attorney as fully as the Company might or could do with the same validity as if all and every such act had been herein particularly stated, expressed and especially provided for, and hereby ratifies and confirms all that Ocwen shall lawfully do by virtue of the powers and authority granted and contemplated hereby, and all that Ocwen has previously done pursuant to or in connection with the Subservicing Agreement or any Limited Power of Attorney previously granted by the Company to Ocwen. This Limited Power of Attorney shall be in full force and effect as of August 17, 2018 (Date) until the earlier of the date of termination of the Subservicing Agreement or the date the Company revokes or terminates this Limited Power of Attorney by written notice to Ocwen.

Nothing herein shall give the Attorney-in-Fact hereunder the right or power to negotiate or settle any suit, counterclaim or action against the Company. The Company shall have no obligation to inspect or review any agreement or other document or item executed by the Attorney-in-Fact hereunder on behalf of the Company pursuant to this Limited Power of Attorney and as such, the Attorney-in-Fact hereunder expressly acknowledges that the Company is relying upon such Attorney-in-Fact to undertake any and all necessary procedures to confirm the accuracy of any such agreement, document or other item. This Limited Power of Attorney and each grant of power and authority hereunder shall at all times be limited by and subject to the terms and conditions of the Subservicing Agreement.

Third parties without actual notice may rely upon the exercise of the power granted under this Limited Power of Attorney, and may be satisfied that this Limited Power of Attorney has not been revoked by the Company, unless a revocation has been recorded in the public records of the jurisdiction where this Limited Power of Attorney has been recorded, or unless such third party has received actual written notice of a revocation.

NEW PENN FINANCIAL, LLC
D/B/A SHELLPOINTMORTGAGE SERVICING

(Company)

By: _____

Name: _____

Title: _____

_____
Witness – _____

_____
Witness – _____

STATE OF _____

COUNTY OF _____

On this ___ day of _____, 20__, before me, the undersigned, a Notary Public in and for said State and County, personally appeared _____, personally known to me to be the person who executed the within instrument as _____, on behalf of New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing, and he or she acknowledged that said instrument is the act and deed of said New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing, and that he or she, being authorized to do so, executed and delivered said instrument for the purposes therein contained.

WITNESS by hand and official seal.

_____
Notary Public

[Seal]

_____
My Commission Expires

_____
My Commission Expires

Exhibit A

1. Subservicing Agreement, dated as of August 17, 2018, by and between New Penn Financial, LLC d/b/a Shellpoint Mortgage Servicing and Ocwen Loan Servicing, LLC

Exhibit M-4

EXHIBIT N

CLIENT MANAGEMENT PROTOCOLS

Subservicer's Client Management Protocols are comprised of five components (i) Client Relations/Issue Management, (ii) Client Integration, (iii) Change Management, (iv) Client Reporting and (v) Audit/Testing Management. The staff specifically dedicated to managing the relationship ("Client Relationship Managers" or "CRMs") shall utilize the protocols herein, as may be changed from time to time and mutually agreed by both parties, to coordinate the resources of Subservicer to address the requests of Owner/Servicer.

THE REMAINDER OF THIS PAGE AND THE FOLLOWING PAGE OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT O

ADVANCE FACILITY COOPERATION COSTS

1. [***] for amendments with no certificates or opinions
2. [***] for new facilities or amendments with opinions
3. [***] for public deals (which would include opinion and disclosure related work)

EXHIBIT P-1

TRANSFER PROCEDURES

(PRIMARY SERVICING)

THIS PAGE AND THE FOLLOWING 12 PAGES OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT P-2

TRANSFER PROCEDURES

(MASTER SERVICING)

TO BE MUTUALLY AGREED UPON FOLLOWING THE EFFECTIVE DATE

EXHIBIT Q

LEVEL OF DISCLOSURE SCHEDULE

THIS PAGE AND THE FOLLOWING PAGE OF THIS EXHIBIT HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

EXHIBIT R

MASTER SERVICING ADDENDUM

Section 2B.01

DEFINITIONS

Whenever used in this Exhibit R, the following words and phrases, unless the context requires otherwise, shall have the meanings specified below. Capitalized terms used in this Exhibit R but not otherwise defined shall have the meanings set forth in Article I of the Agreement (except to the extent modified pursuant to Section 2B.02 below).

Master Servicing Addendum: The rights and obligations specifically set forth in this Exhibit R.

Master Servicing Rights: The Servicing Rights identified as master servicing rights on Exhibit B of the Transfer Agreement.

Servicer Guide: The "Servicer Guide", as referenced or defined in the applicable Servicing Agreement and Client Contract.

Section 2B.02

The Owner/Servicer hereby agrees that Subservicer has full power and authority to enforce the Client Contracts and Servicer Guide on behalf of Owner/Servicer solely with respect to the applicable Mortgage Loans related to the Master Servicing Rights.

The Owner/Servicer and Subservicer acknowledge and agree that the servicing function with respect to the Mortgage Loans related to the Master Servicing Rights is performed by various SBO Servicers (and may include the Subservicer in its capacity as a primary servicer).

The Owner/Servicer may amend any Client Contract pursuant to a Change Request and otherwise subject to the procedures set forth in Section 2.3 of the Agreement.

Solely with respect to the Mortgage Loans related to the Master Servicing Rights, the Subservicer hereby agrees to perform Master Servicing on behalf of the Owner/Servicer in accordance with the terms of (i) the Agreement (unless expressly set forth below) (ii) the applicable Servicing Agreement, (iii) applicable Client Contract, and (iv) the applicable Servicer Guide; provided that, with respect to any REO Disposition Services that are permitted under the related Servicing Agreement with respect to the Master Servicing Rights and referred to the Subservicer as an SBO Servicer, the Subservicer shall comply with Section 2.10 of the Agreement and the Owner/Servicer shall be entitled to all Downstream Ancillary Income in connection therewith. For the avoidance of doubt,

solely with respect to the Mortgage Loans related to the Master Servicing Rights, the Subservicer shall have no obligation to perform any of the duties and obligations that are enumerated below; provided that nothing herein shall limit or constrain any obligation of the Subservicer in the Agreement related to Subservicer in its capacity as a primary servicer.

(a) No SBO Servicer shall be considered a "Vendor" as defined in Article I of the Agreement; provided that nothing herein shall limit or restrict any monitoring, oversight, audit rights or other obligations, in each case, the Subservicer has, on behalf of the Owner/Servicer as the owner of the Master Servicing Rights, under the applicable Servicing Agreement, the applicable Client Contract, and the applicable Servicer Guide.

(b) Section 2.1(f) shall not apply.

(c) Section 2.1(g) shall not apply.

(d) Section 2.2(a) shall not apply unless required by Applicable Requirements.

(e) Section 2.2(b) shall not apply unless required by Applicable Requirements.

(f) Section 2.5 shall not apply to (i) Escrow Accounts unless required by Applicable Requirements and (ii) notwithstanding anything set forth in clause (i), any Custodial Accounts or Escrow Accounts held by an SBO Servicer.

(g) Section 2.6(c) shall not apply unless required by Applicable Requirements.

(h) Section 2.6(d) shall apply to (i) records relating to Master Servicing and (ii) records relating to the Subservicing to the extent required by Applicable Requirements.

(i) Section 2.6(e) shall not apply unless required by Applicable Requirements.

(j) Section 2.8(a) and (b) shall only apply with respect reports and remittances the Subservicer makes to certificateholders as part of the Master Servicing obligations pursuant to Applicable Requirements.

(k) Sections 2.8(c) and (d) shall only apply with respect to reports relating to Master Servicing and any such report shall be separate and may differ from the reports provided by Subservicer in its capacity as subservicer. Notwithstanding the forgoing, the Subservicer shall provide access, either through an online portal or FTP, to the Owner/Servicer, upon reasonable request, for any other report(s), data or information that the Subservicer receives in its capacity as Master Servicer which the Subservicer is not otherwise required to deliver to the Owner/Servicer hereunder.

(l) Section 2.8(e) shall only apply with respect to reports related to (i) litigation for which the Subservicer (in its capacity as Master Servicer) is directly managing and (ii) litigation that names Subservicer as a party as Master Servicer on behalf of Owner/Servicer and any such

report shall be separate and may differ from the reports provided by Subservicer in its capacity as subservicer; it being agreed that the Subservicer shall have no obligation to oversee foreclosure and bankruptcy attorneys in its Master Servicing role unless required by Applicable Requirements.

(m) Section 2.9 shall not apply.

(n) Section 2.15 shall not apply.

(o) Section 2.17 shall not apply.

(p) Section 2.20 shall not apply unless required by Applicable Requirements.

(q) Section 2.21 shall not apply unless required by Applicable Requirements.

(r) Section 3.1 shall not apply.

(s) Section 3.2 shall not apply.

(t) Section 3.3 shall not apply.

(u) Section 3.4 shall not apply.

(v) Articles VI and VII shall only apply with respect to the Master Servicing and Master Servicing Rights and shall not extend to SBO Servicers.

(w) Article VIII shall only apply with respect to the Master Servicing and Master Servicing Rights and shall not extend to SBO Servicers; provided that nothing herein shall limit, restrict or qualify the Owner/Servicer's rights to indemnification and remedies (as owner of the Master Servicing Rights) that are set forth in the applicable Servicing Agreement, the applicable Client Contract, and/or the applicable Servicer Guide.

(x) For the avoidance of doubt the following Exhibits shall not apply: B, C, D, P-1.

(y) The Service Level Agreements with respect to Master Servicing shall only be those specifically identified as "Master Servicing SLAs".

EXHIBIT S

TRANSFER MILESTONES

PART I

Requirements of Ocwen for NRZ to fund 100% of Termination Fee Deposit Amount to Escrow Account

[***]

PART II

Requirements of Ocwen for Escrow Agent to release Initial 50% of Termination Fee Deposit Amount

[***]

PART III

Requirements of Ocwen for Escrow Agent to release Second 50% of Termination Fee Deposit Amount

[***]

SCHEDULE 1.1

CHANGE OF CONTROL

Owner/Servicer hereby consents to a proposed transaction pursuant to which (x) Subservicer would merge into PHH Mortgage Corporation ("PMC") and PMC would be the surviving entity immediately following such merger, or (y) PMC would become the direct or indirect owner of the majority of the stock of the Subservicer and, in each case and such consent is deemed to be exercised in concert with each NRZ O/S Entity under the NRZ Servicing/Subservicing Agreements and the NRM Agency Subservicing Agreement, to the extent applicable.

SCHEDULE 2.1(e)

BACK-UP SERVICING REPORTS

[***]

SCHEDULE 2.13(e)

ADVANCE DISPUTE RESOLUTION MECHANICS

THIS PAGE AND THE FOLLOWING TWO PAGES OF THIS SCHEDULE HAVE BEEN OMITTED AND FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO A REQUEST FOR CONFIDENTIAL TREATMENT

[***]

SCHEDULE 7.11

REPRESENTATIONS REGARDING ADVANCES

Representations and Warranties:

As of each Advance Reimbursement Date (or such other date if set forth below), the Subservicer hereby represents and warrants to the Owner/Servicer that the following representations and warranties are true and correct with respect to the related Advances:

- Each Advance is an Eligible Advance and arising under a Servicing Agreement that is an Eligible Servicing Agreement and has been fully funded by the Subservicer using its own funds and/or Amounts Held for Future Distribution (to the extent permitted under the related Eligible Servicing Agreement) and/or amounts received by the Subservicer from Owner/Servicer under this Agreement; provided, that notwithstanding the foregoing Subservicer makes no representation or warranty as to the status of title or any interest of a depositor, an issuer or an indenture trustee under a Servicing Agreement to or in any Advance.

- The Owner/Servicer is entitled to reimbursement for each Advance made pursuant the related Eligible Servicing Agreement.

- The Subservicer has no reason to believe that the related Advance will not be reimbursed or paid in full.

- Such Advance has not been identified by the Subservicer or reported to the Subservicer by the related trustee or Investor as having resulted from fraud perpetrated by any Person.

- Such Advance is not secured by real property and is not evidenced by an instrument.

- Such Advance is not due from the United States of America or any state or from any agency, department or instrumentality of the United States of America or any state thereof.

Definitions:

Whenever used in this Schedule 7.11, the following words and phrases, unless the context requires otherwise, shall have the meanings specified below. Capitalized terms used in this Schedule 7.11 but not otherwise defined shall have the meanings set forth in Article I of the Agreement.

Advance: Any P&I Advance or Servicing Advance.

Advance Reimbursement Date: Each date from which the Owner/Servicer paid and/or reimbursed the Subservicer for any Advances, in each case, pursuant to the terms of this Agreement.

Amounts Held for Future Distribution: To the extent permitted under the Eligible Servicing Agreement, the Owner/Servicer's right to remit amounts held for distribution to the related trustee or Investor in a future month on deposit in each Custodial Account, to the related trustee or Investor

as part of the Owner/Servicer's monthly P&I Advances required under the related Eligible Servicing Agreement.

Eligible Advance: An Advance:

(i) which constitutes a "general intangible" or "payment intangible" within the meaning of Section 9-102(a)(42) (or the corresponding provision in effect in a particular jurisdiction) of the UCC as in effect in all applicable jurisdictions;

(ii) which is denominated and payable in United States dollars;

(iii) which arises under and pursuant to the terms of a Eligible Servicing Agreement and, at the time the related Advance was made or any deferred servicing fee accrued, (A) was determined by the Subservicer, in good faith to (1) be ultimately recoverable from the proceeds of the related Mortgage Loan, related liquidation proceeds or otherwise from the proceeds of or collections on the related Mortgage Loan and (2) comply with all requirements for reimbursement or payment under, the related Eligible Servicing Agreement and as to which the Subservicer has complied with all of the requirements for reimbursement under the related Eligible Servicing Agreement and, and (B) was authorized pursuant to the terms of the related Eligible Servicing Agreement; provided, that any mandatory Advances, including, without limitation, foreclosure litigation expenses or broker price opinion costs permitted or required under the related Servicing Agreement shall not be disqualified under this clause even if not recoverable from collections on or proceeds of the related Mortgage Loan if, and only if, they are recoverable from other collections with respect to the related pool of Mortgage Loans pursuant to the related Servicing Agreement and the Advance Policy and the Subservicer has determined in good faith to be ultimately recoverable from such funds;

(iv) with respect to which, as of the related Advance Reimbursement Date, the Subservicer had not (A) taken any action that would materially and adversely impair the right, title and interest of Owner/Servicer or any assignee of Owner/Servicer, or (B) failed to take any action that was necessary to avoid materially and adversely impairing the Owner/Servicer or Owner/Servicer's assignee right, title or interest therein;

(v) the Advance related to which has been fully funded by the Subservicer using its own funds and/or Amounts Held for Future Distribution (to the extent permitted under the related Eligible Servicing Agreement);

(vi) which, if arising under a Servicing Agreement which is not related to a closed-end securitization trust, provides for reimbursement or payment to the Owner/Servicer in respect of the related Advance in full at the time the servicing of such Mortgage Loan is transferred out of such Servicing Agreement such that it is no longer subject to such Servicing Agreement; and

(vii) made in accordance with the terms of the Agreement.

Eligible Servicing Agreement: As of any date of determination, any Servicing Agreement which meets the following criteria:

(i) pursuant to the terms of such Servicing Agreement:

(A) under such agreement, the Owner/Servicer is permitted to reimburse itself for the related Advance out of late collections of the amounts advanced, including from insurance proceeds and liquidation proceeds from the Mortgage Loan with respect to which such Advance was made, prior to any holders of any notes, certificates or other securities backed by the related mortgage loan pool or any other owner of or investor in the Mortgage Loan, and prior to payment of any party subrogated to the rights of the holders of such securities (such as a reimbursement right of a credit enhancer) or any hedge or derivative termination fees, or to any related Mortgage Pool or any related trustee, custodian, hedge counterparty or credit enhancer; provided, that reimbursement of any Advance with respect to a second lien Mortgage Loan shall be subject to any first lien on the related Mortgaged Property or REO Property, as applicable, under which such Advance arises;

(B) under such agreement, if the Owner/Servicer determines that an Advance will not be recoverable out of late collections of the amounts advanced or out of insurance proceeds or liquidation proceeds from the Mortgage Loan with respect to which the Advance was made, the Owner/Servicer has the right to reimburse or pay itself for such Advance out of any funds (other than prepayment charges) in the Custodial Account or out of general collections received by the Owner/Servicer or Subservicer on its behalf with respect to any Mortgage Loans serviced under the same Eligible Servicing Agreement, prior to any payment to any holders of any notes, certificates or other securities backed by the related mortgage loan pool or any other owner of or investor in the Mortgage Loan, and prior to payment of any party subrogated to the rights of the holders of such securities (such as a reimbursement right of a credit enhancer) or any hedge or derivative termination fees, or to the related Mortgage Pool or any related trustee, custodian or credit enhancer (a "*General Collections Backstop*"), except that this clause (i)(B) shall not apply to Loan-Level Advance;

(ii) all Advances arising under such Servicing Agreement are free and clear of any adverse claim in favor of any Person (other than the Owner/Servicer);

(iii) the Eligible Servicing Agreement is in full force and effect;

(iv) the Servicing Agreement arises under and is governed by the laws of the United States or a State within the United States; and

(v) The Subservicer has not voluntarily elected to change the reimbursement mechanics of Advances under such Servicing Agreement from a pool-level reimbursement mechanic or payment mechanic to a loan-level reimbursement mechanic or payment

mechanic or from a loan-level reimbursement mechanic or payment mechanic to a pool-level reimbursement mechanic or payment mechanic without consent of Owner/Servicer.

Loan-Level Advance: An Advance that arises under a Eligible Servicing Agreement that does not provide that the related Advance is reimbursable from general collections and proceeds of the entire related mortgage pool if such Advance is determined to be a Nonrecoverable Advance.

Nonrecoverable Advance: An Advance that is determined to be "non-recoverable" from late collections or liquidation or other proceeds of the Mortgage Loan in respect of which such Advance was made.

SCHEDULE 8.1

SERVICING AGREEMENTS
WITH FOR CONVENIENCE TERMINATION

Inv #	Deal Name
[***]	[***]
[***]	[***]
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[***]	[***]

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, Michael Nierenberg, certify that:

1. I have reviewed this quarterly report on Form 10-Q of New Residential Investment Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 30, 2018

/s/ Michael Nierenberg

Michael Nierenberg
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Nicola Santoro, Jr., certify that:

1. I have reviewed this quarterly report on Form 10-Q of New Residential Investment Corp.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a–15(e) and 15d–15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a–15(f) and 15d–15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

October 30, 2018

/s/ Nicola Santoro, Jr.

Nicola Santoro, Jr.
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATION OF CEO PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of New Residential Investment Corp. (the "Company") for the quarterly period ended September 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Michael Nierenberg, as Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(1) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

October 30, 2018

/s/ Michael Nierenberg
Michael Nierenberg
Chief Executive Officer

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

CERTIFICATION OF CFO PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report on Form 10-Q of New Residential Investment Corp. (the "Company") for the quarterly period ended September 30, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Nicola Santoro, Jr., as Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

October 30, 2018

/s/ Nicola Santoro, Jr.
Nicola Santoro, Jr.
Chief Financial Officer

This certification accompanies the Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and shall not, except to the extent required by the Sarbanes-Oxley Act of 2002, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended.

A signed original of this written statement required by Section 906 of the Sarbanes-Oxley Act of 2002 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.