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 June 30, 2020

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)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:		Name of each exchange on which registered:
Common Stock, $0.01 par value per share	NRZ	New York Stock Exchange
7.50% Series A Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	NRZ PR A	New York Stock Exchange
7.125% Series B Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	NRZ PR B	New York Stock Exchange
6.375% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock	NRZ PR C	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

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 Regulation 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.

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: 415,744,518 shares outstanding as of July 24, 2020.

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:

- the uncertainty and economic impact of the ongoing coronavirus ("COVID-19") pandemic and of responsive measures implemented by various governmental authorities, businesses and other third parties;
- changes in general economic conditions, in our industry and in the commercial finance and real estate markets, including the impact on the value of our assets;
- changes to our business and investment strategy;
- our ability to obtain and maintain financing arrangements on terms favorable to us or at all, particularly in light of the current disruption in the financial markets;
- how COVID-19 may affect us, our operations and personnel;
- the forbearance program included in the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") and related funding for servicing advances, the sources, adequacy and availability of financing to fund advances;
- 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 Mortgage LLC (d/b/a Mr. Cooper, "Mr. Cooper"), LoanCare, LLC ("LoanCare"), OneMain Holdings, Inc. ("OneMain"), PHH Mortgage Corporation ("PHH") and other third parties;
- events, conditions or actions that might occur at Mr. Cooper, LoanCare, OneMain, 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 mortgage servicing rights ("Excess MSRs"), servicer advance investments, residential mortgage-backed securities ("RMBS"), residential mortgage loans and consumer loan portfolios;
- the risks related to our origination and servicing operations;
- the risks that default and recovery rates on our MSRs, Excess MSRs, servicer advance investments, servicer advance receivables, 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;
- risks associated with our term loan facility, including, but not limited to, default risk and negative covenants that restrict certain activities by our subsidiaries and us;
- 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 the Federal National Mortgage Association ("Fannie Mae") or the Federal Home Loan Mortgage Corporation ("Freddie Mac") and collectively with Fannie Mae, the Government Sponsored Enterprises ("GSEs") 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 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. See "Business-Corporate Governance and Internet Address; Where Readers Can Find Additional Information."

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, except per share data)

	June 30, 2020 (Unaudited)	December 31, 2019
Assets		
Excess mortgage servicing rights assets, at fair value	$ 458,923	$ 505,343
Mortgage servicing rights, at fair value	3,551,159	3,967,960
Mortgage servicing rights financing receivables, at fair value	1,469,927	1,718,273
Servicer advance investments, at fair value [(A)]	559,011	581,777
Real estate and other securities	6,144,236	19,477,728
Residential loans and variable interest entity consumer loans held-for-investment, at fair value [(A)]	1,516,794	1,753,251
Residential mortgage loans, held-for-sale (includes $2,824,909 and $4,613,612 at fair value at June 30, 2020 and December 31, 2019, respectively)	3,519,739	6,042,664
Residential mortgage loans subject to repurchase [(B)]	1,075,008	172,336
Cash and cash equivalents [(A)]	1,013,208	528,737
Restricted cash [(A)]	138,932	162,197
Servicer advances receivable	2,947,678	3,301,374
Trades receivable	163,477	5,256,014
Other assets [(A)]	1,194,057	1,395,800
	$ 23,752,149	$ 44,863,454
Liabilities and Equity		
Liabilities		
Repurchase agreements	$ 9,171,498	$ 27,916,225
Notes and bonds payable (includes $258,806 and $659,738 at fair value at June 30, 2020 and December 31, 2019, respectively) [(A)]	6,879,462	7,720,148
Residential mortgage loan repurchase liability [(B)]	1,075,008	172,336
Term loan, net of discount and issuance costs	533,383	—
Trades payable	105,930	902,081
Due to affiliates	16,894	103,882
Dividends payable	48,753	211,732
Accrued expenses and other liabilities [(A)]	532,249	600,790
	18,363,177	37,627,194
Commitments and Contingencies		
Equity		
Preferred Stock, par value of $0.01 per share, 100,000,000 shares authorized:		
7.50% Series A Preferred Stock, $0.01 par value, 11,500,000 shares authorized, 6,210,000 and 6,210,000 issued and outstanding at June 30, 2020 and December 31, 2019, respectively	150,026	150,026
7.125% Series B Preferred Stock, $0.01 par value, 11,500,000 shares authorized, 11,300,000 and 11,300,000 issued and outstanding at June 30, 2020 and December 31, 2019, respectively	273,418	273,418
6.375% Series C Preferred Stock, $0.01 par value, 16,100,000 shares authorized, 16,100,000 and 0 issued and outstanding at June 30, 2020 and December 31, 2019, respectively	389,548	—
Common Stock, $0.01 par value, 2,000,000,000 shares authorized, 415,744,518 and 415,520,780 issued and outstanding at June 30, 2020 and December 31, 2019, respectively	4,158	4,156
Additional paid-in capital	5,554,559	5,498,226
Retained earnings (accumulated deficit)	(1,110,148)	549,733
Accumulated other comprehensive income (loss)	30,730	682,151
Total New Residential stockholders' equity	5,292,291	7,157,710
Noncontrolling interests in equity of consolidated subsidiaries	96,681	78,550
Total Equity	5,388,972	7,236,260
	$ 23,752,149	$ 44,863,454

(A) See Note 13 regarding consolidated VIEs.
(B) See Note 8 for details.
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 June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenues				
Interest income	$ 232,198	$ 416,047	$ 634,571	$ 854,914
Servicing revenue, net of change in fair value of $(441,033), $(334,599), $(1,090,408), and $(391,509), respectively	(90,459)	(85,537)	(379,574)	80,316
Gain on originated mortgage loans, held-for-sale, net	310,022	101,018	489,720	168,188
	451,761	431,528	744,717	1,103,418
Expenses				
Interest expense	116,403	228,004	333,258	440,836
General and administrative expenses	217,373	118,906	423,736	217,846
Management fee to affiliate	22,479	19,623	44,200	37,583
Incentive compensation to affiliate	—	—	—	12,958
Loan servicing expense	7,149	9,372	15,002	18,975
Subservicing expense	73,132	53,962	140,113	94,888
	436,536	429,867	956,309	823,086
Other Income (Loss)				
Change in fair value of investments	102,776	(26,642)	(463,500)	(57,746)
Gain (loss) on settlement of investments, net	(74,966)	5,576	(874,538)	(37,285)
Earnings from investments in consumer loans, equity method investees	—	(2,654)	—	1,657
Other income (loss), net	(3,207)	(2,227)	(40,020)	3,461
	24,603	(25,947)	(1,378,058)	(89,913)
Impairment				
Provision (reversal) for credit losses on securities	(25,134)	8,859	19,015	16,375
Valuation and credit loss provision (reversal) on loans and real estate owned ("REO")	3,424	13,452	103,920	18,732
	(21,710)	22,311	122,935	35,107
Income (Loss) Before Income Taxes	61,538	(46,597)	(1,712,585)	155,312
Income tax expense (benefit)	17,409	(21,577)	(149,459)	24,420
Net Income (Loss)	$ 44,129	$ (25,020)	$ (1,563,126)	$ 130,892
Noncontrolling Interests in Income of Consolidated Subsidiaries	$ 38,640	$ 6,923	$ 22,478	$ 17,241
Dividends on Preferred Stock	$ 14,357	$ —	$ 25,579	$ —
Net Income (Loss) Attributable to Common Stockholders	$ (8,868)	$ (31,943)	$ (1,611,183)	$ 113,651
Net Income (Loss) Per Share of Common Stock				
Basic	$ (0.02)	$ (0.08)	$ (3.88)	$ 0.28
Diluted	$ (0.02)	$ (0.08)	$ (3.88)	$ 0.28
Weighted Average Number of Shares of Common Stock Outstanding				
Basic	415,661,782	415,463,757	415,625,468	401,946,938
Diluted	415,661,782	415,463,757	415,625,468	402,239,438
Dividends Declared per Share of Common Stock	$ 0.10	$ 0.50	$ 0.15	$ 1.00

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 June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Comprehensive income (loss), net of tax				
Net (loss) income	$ 44,129	$ (25,020)	$ (1,563,126)	$ 130,892
Other comprehensive income (loss)				
Net unrealized gain (loss) on securities	56,398	167,162	90,773	359,515
Reclassification of net realized (gain) loss on securities into earnings	(31,803)	(32,164)	(742,194)	(89,844)
	24,595	134,998	(651,421)	269,671
Total comprehensive income (loss)	$ 68,724	$ 109,978	$ (2,214,547)	$ 400,563
Comprehensive income (loss) attributable to noncontrolling interests	$ 38,640	$ 6,923	$ 22,478	$ 17,241
Dividends on preferred stock	$ 14,357	$ —	$ 25,579	$ —
Comprehensive income (loss) attributable to common stockholders	$ 15,727	$ 103,055	$ (2,262,604)	$ 383,322

See notes to condensed consolidated financial statements.

NEW RESIDENTIAL INVESTMENT CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED)
FOR THE THREE MONTHS ENDED JUNE 30, 2020

(dollars in thousands, except per share data)

	Preferred Stock		Common Stock							
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	Total New Residential Stockholders' Equity	Noncontrolling Interests in Equity of Consolidated Subsidiaries	Total Equity
Balance at March 31, 2020	33,610,000	$ 812,992	415,649,214	$ 4,157	$ 5,500,308	$ (1,059,706)	$ 6,135	$ 5,263,886	$ 66,578	$ 5,330,464
2020 Warrants	—	—	—	—	53,462	—	—	53,462	—	53,462
Dividends declared on common stock, $0.10 per share	—	—	—	—	—	(41,574)	—	(41,574)	—	(41,574)
Dividends declared on preferred stock	—	—	—	—	—	(14,357)	—	(14,357)	—	(14,357)
Capital contributions	—	—	—	—	—	—	—	—	1,791	1,791
Capital distributions	—	—	—	—	—	—	—	—	(10,328)	(10,328)
Issuance of common stock	—	—	—	—	79	—	—	79	—	79
Director share grants	—	—	95,304	1	710	—	—	711	—	711
Comprehensive income (loss)										
Net income (loss)	—	—	—	—	—	5,489	—	5,489	38,640	44,129
Net unrealized gain (loss) on securities	—	—	—	—	—	—	56,398	56,398	—	56,398
Reclassification of net realized (gain) loss on securities into earnings	—	—	—	—	—	—	(31,803)	(31,803)	—	(31,803)
Total comprehensive income (loss)								30,084	38,640	68,724
Balance at June 30, 2020	33,610,000	$ 812,992	415,744,518	$ 4,158	$ 5,554,559	$ (1,110,148)	$ 30,730	$ 5,292,291	$ 96,681	$ 5,388,972

NEW RESIDENTIAL INVESTMENT CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED), CONTINUED
FOR THE THREE MONTHS ENDED JUNE 30, 2019

(dollars in thousands, per share data)

	Preferred Stock		Common Stock							
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	Total New Residential Stockholders' Equity	Noncontrolling Interests in Equity of Consolidated Subsidiaries	Total Equity
Balance at March 31, 2019	—	$ —	415,429,677	$ 4,155	$ 5,497,838	$ 768,592	$ 551,696	$ 6,822,281	$ 89,928	$ 6,912,209
Dividends declared on common stock, $0.50 per share	—	—	—	—	—	(207,760)	—	(207,760)	—	(207,760)
Capital distributions	—	—	—	—	—	—	—	—	(13,986)	(13,986)
Issuance of common stock	—	—	—	—	(266)	—	—	(266)	—	(266)
Option exercise	—	—	51,517	—	—	—	—	—	—	—
Director share grants	—	—	39,586	1	654	—	—	655	—	655
Comprehensive income (loss)										
Net income (loss)	—	—	—	—	—	(31,943)	—	(31,943)	6,923	(25,020)
Net unrealized gain (loss) on securities	—	—	—	—	—	—	167,162	167,162	—	167,162
Reclassification of net realized (gain) loss on securities into earnings	—	—	—	—	—	—	(32,164)	(32,164)	—	(32,164)
Total comprehensive income (loss)								103,055	6,923	109,978
Balance at June 30, 2019	—	$ —	415,520,780	$ 4,156	$ 5,498,226	$ 528,889	$ 686,694	$ 6,717,965	$ 82,865	$ 6,800,830

NEW RESIDENTIAL INVESTMENT CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED), CONTINUED
FOR THE SIX MONTHS ENDED JUNE 30, 2020

(dollars in thousands, per share data)

	Preferred Stock		Common Stock							
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	Total New Residential Stockholders' Equity	Noncontrolling Interests in Equity of Consolidated Subsidiaries	Total Equity
Balance at December 31, 2019	17,510,000	$ 423,444	415,520,780	$ 4,156	$ 5,498,226	$ 549,733	$ 682,151	$ 7,157,710	$ 78,550	$ 7,236,260
Cumulative adjustment for the adoption of ASU 2016-13 (See Note 1)	—	—	—	—	—	13,658	—	13,658	16,795	30,453
2020 Warrants	—	—	—	—	53,462	—	—	53,462	—	53,462
Dividends declared on common stock, $0.15 per share	—	—	—	—	—	(62,356)	—	(62,356)	—	(62,356)
Dividends declared on preferred stock	—	—	—	—	—	(25,579)	—	(25,579)	—	(25,579)
Capital contributions	—	—	—	—	—	—	—	—	1,791	1,791
Capital distributions	—	—	—	—	—	—	—	—	(22,933)	(22,933)
Issuance of common stock	—	—	97,394	1	1,661	—	—	1,662	—	1,662
Issuance of preferred stock	16,100,000	389,548	—	—	—	—	—	389,548	—	389,548
Director share grants	—	—	126,344	1	1,210	—	—	1,211	—	1,211
Comprehensive income (loss)										
Net income (loss)	—	—	—	—	—	(1,585,604)	—	(1,585,604)	22,478	(1,563,126)
Net unrealized gain (loss) on securities	—	—	—	—	—	—	90,773	90,773	—	90,773
Reclassification of net realized (gain) loss on securities into earnings	—	—	—	—	—	—	(742,194)	(742,194)	—	(742,194)
Total comprehensive income (loss)								(2,237,025)	22,478	(2,214,547)
Balance at June 30, 2020	33,610,000	$ 812,992	415,744,518	$ 4,158	$ 5,554,559	$ (1,110,148)	$ 30,730	$ 5,292,291	$ 96,681	$ 5,388,972

NEW RESIDENTIAL INVESTMENT CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY (UNAUDITED), CONTINUED
FOR THE SIX MONTHS ENDED JUNE 30, 2019

(dollars in thousands, per share data)

	Preferred Stock		Common Stock							
	Shares	Amount	Shares	Amount	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Accumulated Other Comprehensive Income	Total New Residential Stockholders' Equity	Noncontrolling Interests in Equity of Consolidated Subsidiaries	Total Equity
Balance at December 31, 2018	—	$ —	369,104,429	$ 3,692	$ 4,746,242	$ 830,713	$ 417,023	$ 5,997,670	$ 90,625	$ 6,088,295
Dividends declared on common stock, $1.00 per share	—	—	—	—	—	(415,475)	—	(415,475)	—	(415,475)
Capital distributions	—	—	—	—	—	—	—	—	(25,001)	(25,001)
Issuance of common stock	—	—	46,000,000	460	750,933	—	—	751,393	—	751,393
Option exercise	—	—	348,613	3	(3)	—	—	—	—	—
Director share grants	—	—	67,738	1	1,054	—	—	1,055	—	1,055
Comprehensive income (loss)										
Net income (loss)	—	—	—	—	—	113,651	—	113,651	17,241	130,892
Net unrealized gain (loss) on securities	—	—	—	—	—	—	359,515	359,515	—	359,515
Reclassification of net realized (gain) loss on securities into earnings	—	—	—	—	—	—	(89,844)	(89,844)	—	(89,844)
Total comprehensive income (loss)								383,322	17,241	400,563
Balance at June 30, 2019	—	$ —	415,520,780	$ 4,156	$ 5,498,226	$ 528,889	$ 686,694	$ 6,717,965	$ 82,865	$ 6,800,830

See notes to condensed consolidated financial statements.

NEW RESIDENTIAL INVESTMENT CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)
(dollars in thousands)

	Six Months Ended June 30,	
	2020	**2019**
Cash Flows From Operating Activities		
Net income	$ (1,563,126)	$ 130,892
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	11,109	3,828
Change in fair value of investments in excess mortgage servicing rights, equity method investees	2,509	664
Change in fair value of investments in mortgage servicing rights financing receivables	225,631	91,790
Change in fair value of servicer advance investments	2,712	(9,291)
Change in fair value of residential mortgage loans, at fair value	165,246	(81,607)
Change in fair value of notes and bonds payable	(6,146)	2,601
Change in fair value of investments in real estate and other securities	28,194	(14,064)
(Gain) loss on settlement of investments, net	874,538	37,285
(Gain) loss on sale of originated mortgage loans, net	(489,720)	(168,188)
Earnings from investments in consumer loans, equity method investees	—	(1,657)
Change in fair value of derivative instruments	18,876	66,426
Change in fair value of contingent consideration	3,871	4,727
Change in fair value of investments in consumer loans, held-for-investment	9,223	—
Change in fair value of equity investments	47,697	159
(Gain) loss on transfer of loans to REO	(4,307)	(6,584)
(Gain) loss on transfer of loans to other assets	261	277
(Gain) loss on Excess MSR recapture agreements	(1,190)	(1,242)
(Gain) loss on Ocwen common stock	4,121	(4,237)
Accretion and other amortization	(80,990)	(256,955)
Provision for credit losses on securities	19,015	16,375
Valuation and credit loss provision on loans and real estate owned	103,920	18,732
Non-cash portions of servicing revenue, net	1,090,408	391,509
Non-cash directors' compensation	1,211	1,055
Deferred tax provision	(141,640)	24,733
Changes in:		
Servicer advances receivable	365,078	231,023
Other assets	200,638	(370,927)
Due to affiliates	(86,988)	(73,694)
Accrued expenses and other liabilities	(181,811)	75,747
Other operating cash flows:		
Interest received from excess mortgage servicing rights	13,239	12,568
Interest received from servicer advance investments	9,796	15,251
Interest received from Non-Agency RMBS	105,032	137,729
Interest received from residential mortgage loans, held-for-investment	2,509	37,253
Interest received from consumer loans, held-for-investment	—	16,437
Distributions of earnings from excess mortgage servicing rights, equity method investees	1,172	5,635
Distributions of earnings from consumer loan equity method investees	—	1,178
Purchases of residential mortgage loans, held-for-sale	(1,147,328)	(4,220,239)
Origination of residential mortgage loans, held-for-sale	(19,030,513)	(5,537,689)
Proceeds from sales of purchased and originated residential mortgage loans, held-for-sale	22,017,043	6,473,386
Principal repayments from purchased residential mortgage loans, held-for-sale	177,023	165,931
Net cash provided by (used in) operating activities	2,766,313	(2,783,183)

Continued on next page.

NEW RESIDENTIAL INVESTMENT CORP. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED), CONTINUED

(dollars in thousands)

	Six Months Ended June 30,	
	2020	**2019**
Cash Flows From Investing Activities		
Purchase of servicer advance investments	(631,240)	(865,350)
Purchase of MSRs, MSR financing receivables and servicer advances receivable	(491,880)	(775,873)
Purchase of Agency RMBS	(11,944,647)	(14,883,418)
Purchase of Non-Agency RMBS	(56,520)	(651,001)
Purchase of real estate owned and other assets	(5,970)	(16,426)
Purchase of investment in consumer loans, equity method investees	—	(63,875)
Draws on revolving consumer loans	(17,684)	(28,871)
Payments for settlement of derivatives	(155,034)	(191,527)
Return of investments in excess mortgage servicing rights	22,575	30,342
Return of investments in excess mortgage servicing rights, equity method investees	9,442	8,197
Return of investments in consumer loans, equity method investees	—	55,848
Principal repayments from servicer advance investments	643,580	969,851
Principal repayments from Agency RMBS	745,259	314,623
Principal repayments from Non-Agency RMBS	324,098	605,874
Principal repayments from residential mortgage loans	62,293	57,168
Proceeds from sale of residential mortgage loans	866	34,682
Principal repayments from consumer loans	119,124	139,846
Proceeds from MSRs and MSR financing receivables	61,475	9,113
Proceeds from sale of mortgage servicing rights	9,801	—
Proceeds from sale of mortgage servicing rights financing receivables	3,708	—
Proceeds from sale of excess mortgage servicing rights	114	—
Proceeds from sale of Agency RMBS	23,099,348	10,889,487
Proceeds from sale of Non-Agency RMBS	4,460,656	752,026
Proceeds from settlement of derivatives	46,458	57,240
Proceeds from sale of real estate owned	57,407	74,976
Net cash provided by (used in) investing activities	16,363,229	(3,477,068)

Continued on next page.

NEW RESIDENTIAL INVESTMENT CORP. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED), CONTINUED
(dollars in thousands)

	Six Months Ended June 30,	
	2020	**2019**
Cash Flows From Financing Activities		
Repayments of repurchase agreements	(118,194,027)	(91,625,830)
Margin deposits under repurchase agreements and derivatives	(3,102,467)	(1,637,846)
Proceeds for issuance of term loan	592,400	—
Repayments of notes and bonds payable	(3,880,989)	(4,540,705)
Deferred financing fees	(22,974)	(2,868)
Common stock dividends paid	(228,543)	(392,267)
Preferred Stock Dividend paid	(22,372)	—
Borrowings under repurchase agreements	99,455,395	97,551,956
Return of margin deposits under repurchase agreements and derivatives	3,316,509	1,606,200
Borrowings under notes and bonds payable	3,050,608	4,725,330
Issuance of preferred stock	389,548	—
Issuance of common stock	1,734	752,217
Costs related to issuance of common stock	(72)	(824)
Noncontrolling interests in equity of consolidated subsidiaries - contributions	1,791	—
Noncontrolling interests in equity of consolidated subsidiaries - distributions	(22,933)	(25,001)
Payment of contingent consideration	(1,944)	—
Net cash provided by (used in) financing activities	(18,668,336)	6,410,362
Net Increase (Decrease) in Cash, Cash Equivalents, and Restricted Cash	461,206	150,111
Cash, Cash Equivalents, and Restricted Cash, Beginning of Period	690,934	415,078
Cash, Cash Equivalents, and Restricted Cash, End of Period	$ 1,152,140	$ 565,189
Supplemental Disclosure of Cash Flow Information		
Cash paid during the period for interest	$ 335,464	$ 417,974
Cash paid during the period for income taxes	92	1,194
Supplemental Schedule of Non-Cash Investing and Financing Activities		
Common dividends declared but not paid	$ 41,574	$ 207,760
Preferred dividends declared but not paid	14,357	—
Warrants issued with term loan	53,462	—
Purchase of investments, primarily Agency RMBS, settled after quarter-end	105,930	265,125
Sale of investments, primarily Non-Agency RMBS, settled after quarter-end	163,477	5,307,642
Transfer from residential mortgage loans to real estate owned and other assets	18,931,717	48,449
Transfer from residential mortgage loans, held-for-investment to residential mortgage loans, held-for-sale	—	36,331
Non-cash distributions from LoanCo	—	21,314
MSR purchase price holdback	(44,734)	22,574
Real estate securities retained from loan securitizations	518,515	232,050
Residential mortgage loans subject to repurchase	1,075,008	141,581

See notes to condensed consolidated financial statements.

1. ORGANIZATION AND BASIS OF PRESENTATION

New Residential Investment Corp. (together with its subsidiaries, "New Residential," or "the Company") is a Delaware corporation that was formed as a limited liability company in September 2011 (commenced operations on December 8, 2011) for the purpose of making real estate related investments. New Residential is an independent publicly traded real estate investment trust ("REIT") primarily focused on investing in residential mortgage related assets and 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 18, Income Taxes, for additional information regarding New Residential's taxable REIT subsidiaries.

New Residential, through its wholly-owned subsidiaries New Residential Mortgage LLC ("NRM") and NewRez LLC ("NewRez"), is licensed or otherwise eligible to service residential mortgage loans in all states within the United States and the District of Columbia. Each of NRM and NewRez is also approved to service mortgage loans on behalf of investors, including the Federal National Mortgage Association ("Fannie Mae") and Federal Home Loan Mortgage Corporation ("Freddie Mac") (collectively, Government Sponsored Enterprises or "GSEs") and, solely in the case of NewRez, Government National Mortgage Association ("Ginnie Mae"). NewRez is also eligible to perform servicing on behalf of other servicers (subservicing).

NewRez currently originates, sells and securitizes, or has in the past originated, sold, and securitized, conventional (conforming to the underwriting standards of Fannie Mae or Freddie Mac; collectively referred to as "Agency" loans), government-insured (Federal Housing Administration ("FHA") and Department of Veterans Affairs ("VA"), and U.S Department of Agriculture ("USDA") and non-qualified ("Non-QM") residential mortgage loans. The GSEs or Ginnie Mae guarantee securitizations are completed under their applicable policies and guidelines. New Residential generally retains the right to service the underlying residential mortgage loans sold and securitized by NewRez. NRM and NewRez are required to conduct aspects of their operations in accordance with applicable policies and guidelines published by FHA, Fannie Mae and Freddie Mac.

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. See Note 16 for additional information.

As of June 30, 2020, New Residential conducted its business through the following segments: (i) Origination, (ii) Servicing, (iii) MSR Related Investments, (iv) Residential Securities and Loans, (v) Consumer Loans and (vi) Corporate.

Approximately 2.4 million shares of New Residential's common stock were held by Fortress, through its affiliates, as of June 30, 2020. In addition, Fortress, through its affiliates, held options relating to approximately 10.9 million shares of New Residential's common stock as of June 30, 2020.

Interim Financial Statements

The accompanying condensed consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles ("GAAP" or "US GAAP"). 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 consolidated financial statements include the accounts of New Residential and its consolidated subsidiaries. All significant intercompany transactions and balances have been eliminated. New Residential consolidates those entities in which it has control over significant operating, financing and investing decisions of the entity, as well as those entities deemed to be variable interest entities ("VIEs") in which New Residential is determined to be the primary beneficiary. For entities over which New Residential exercises significant influence, but which do not meet the requirements for consolidation, New Residential uses the equity method of accounting whereby it records its share of the underlying income of such entities. Distributions from equity method investees are classified in the Condensed Consolidated Statements of Cash

Flows based on the cumulative earnings approach, where all distributions up to cumulative earnings are classified as distributions of earnings.

Beginning in the second quarter of 2020, the Company changed its presentation of certain balance sheet and income statement line items to better reflect changes in the business and how the Company is viewed and managed. As a result, the presentation of certain prior period amounts have been reclassified to be consistent with the current period presentation. Such reclassifications had no impact on net income, total assets, total liabilities, or stockholders' equity.

Use of Estimates

In March 2020, the World Health Organization declared a pandemic related to the rapidly spreading coronavirus ("COVID-19") outbreak, which has led to a global health emergency. In response to this outbreak, the governments of many countries have taken preventive and protective actions, such as restricting travel and business operations. Financial markets have also experienced extreme volatility and disruptions to capital and credit markets. As a result, economic uncertainties have arisen which have impacted and could continue to impact the Company's operations and its financial position. The extent of the impact of COVID-19 on the Company's operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, regulatory and private sector responses, and the impact on the Company's customers, workforce, and vendors, all of which are uncertain and cannot be predicted.

The Company believes the estimates and assumptions underlying its condensed consolidated financial statements are reasonable and supportable based on the information available as of June 30, 2020; however, uncertainty over the ultimate impact COVID-19 will have on the global economy generally, and the Company's business in particular, makes any estimates and assumptions as of June 30, 2020 inherently less certain than they would be absent the current and potential impacts of COVID-19. Actual results may materially differ from those estimates.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments - Credit Losses (Topic 326) - Measurement of Credit Losses on Financial Instruments ("CECL").* 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 collectability of the reported amount. The standard also changes the accounting for purchased credit deteriorated assets and available-for-sale securities, which requires 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. The standard provides an option to elect the fair value option for certain investments as an alternative to adopting ASU 2016-13. Lastly, an entity is required to apply ASU 2016-13 using the modified retrospective approach which requires a cumulative-effect adjustment to the balance sheet as of the beginning of the fiscal year of adoption. The standard was effective for New Residential in the first quarter of 2020. Upon adoption of the standard, New Residential elected the fair value option on its held for investment residential mortgage and consumer loans portfolios. As a result, the Company recognized a positive adjustment of $13.7 million to retained earnings, composed of a $19.7 million increase attributable to the change in the fair value of consumer loans, net of noncontrolling interests, partially offset by a $6.0 million decrease attributable to the change in fair value of residential mortgage loans. For servicer advance investments and receivables, the Company determined credit-related losses are not significant because of the contractual relationships with the agencies. For other assets, primarily trade receivables, the Company determined that these are short-term in nature (less than one year), and the estimated credit-related losses over the life of these receivables are not significant.

In August 2018, the FASB issued ASU 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 2018-13 was effective for New Residential in the first quarter of 2020. The adoption of ASU 2018-13 did not have a material impact on the condensed consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting* The standard was issued to ease the accounting effects of reform to the London Interbank Offered Rate ("LIBOR") and other reference rates. The standard provides optional expedients and exceptions for applying GAAP to debt, derivatives, and other contracts affected by reference rate reform. The standard is effective for all entities as of March 12, 2020 through December 31, 2022 and may be elected over time as reference rate reform activities occur. The Company is currently evaluating the impact the adoption of this standard would have on its condensed consolidated financial statements.

2. OTHER INCOME (LOSS), GENERAL AND ADMINISTRATIVE, OTHER ASSETS AND LIABILITIES

Change in fair value of investments — This item is comprised of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Change in fair value of investments in excess mortgage servicing rights	$ (85)	$ (8,455)	$ (11,109)	$ (3,828)
Change in fair value of investments in excess mortgage servicing rights, equity method investees	(2,052)	(3,276)	(2,509)	(664)
Change in fair value of investments in mortgage servicing rights financing receivables	(121,520)	(55,411)	(225,631)	(91,790)
Change in fair value of servicer advance investments	16,037	1,388	(2,712)	9,291
Change in fair value of real estate and other securities	58,598	7,385	(28,194)	14,064
Change in fair value of residential mortgage loans	99,998	72,393	(165,246)	81,607
Change in fair value of investments in consumer loans held-for-investment	30,694	—	(9,223)	—
Change in fair value of derivative instruments	21,106	(40,666)	(18,876)	(66,426)
	$ 102,776	$ (26,642)	$ (463,500)	$ (57,746)

Gain (Loss) on Settlement of Investments, Net — This item is comprised of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Gain (loss) on sale of real estate securities	$ (6,669)	$ 41,023	$ (761,209)	$ 106,219
Gain (loss) on sale of acquired residential mortgage loans	(47,330)	6,575	(12,094)	9,757
Gain (loss) on settlement of derivatives	(25,195)	(45,201)	(109,907)	(138,277)
Gain (loss) on liquidated residential mortgage loans	3,220	(633)	2,381	(3,122)
Gain (loss) on sale of REO	443	(4,551)	1,616	(6,276)
Other gains (losses)	565	8,363	4,675	(5,586)
	$ (74,966)	$ 5,576	$ (874,538)	$ (37,285)

Other Income (Loss), Net — This item is comprised of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Unrealized gain (loss) on notes and bonds payable	$ (10,856)	$ (1,464)	$ 6,146	$ (2,601)
Unrealized gain (loss) on contingent consideration	(2,257)	(2,682)	(3,871)	(4,727)
Unrealized gain (loss) on equity investments	(2,674)	(86)	(47,697)	(159)
Gain (loss) on transfer of loans to REO	1,712	1,600	4,307	6,584
Gain (loss) on transfer of loans to other assets	(20)	244	(261)	(277)
Gain (loss) on Excess MSR recapture agreements	562	935	1,190	1,242
Gain (loss) on Ocwen common stock	929	1,451	(4,121)	4,237
Provision for servicing losses	(11,249)	(285)	(16,030)	(926)
Rental and ancillary revenue	20,112	—	39,719	—
Other income (loss)	534	(1,940)	(19,402)	88
	$ (3,207)	$ (2,227)	$ (40,020)	$ 3,461

General and Administrative Expenses, Loan Servicing Expense and Subservicing Expense — General and administrative expenses are expensed as incurred and primarily include employee compensation, legal and professional fees, insurance premiums, and other costs. Loan servicing and subservicing expenses are expensed as incurred.

General and Administrative Expenses is comprised of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Compensation and benefits expense, servicing	$ 59,498	$ 29,480	$ 110,839	$ 54,781
Compensation and benefits expense, origination	73,148	39,341	134,426	70,651
Legal and professional expense	15,552	16,618	41,589	29,910
Loan origination expense	23,635	14,198	46,035	24,467
Occupancy expense	8,775	4,786	16,839	8,965
Other[(A)]	36,765	14,483	74,008	29,072
	$ 217,373	$ 118,906	$ 423,736	$ 217,846

(A) Represents miscellaneous general and administrative expenses.

Other Assets and Other Liabilities — Other assets and liabilities are comprised of the following:

	Other Assets			Accrued Expenses and Other Liabilities	
	June 30, 2020	**December 31, 2019**		**June 30, 2020**	**December 31, 2019**
Margin receivable, net[A]	$ 45,527	$ 280,176	MSR purchase price holdback	$ 44,495	$ 75,348
Servicing fee receivables	145,135	159,607	Interest payable	35,524	68,668
Due from servicers	93,108	163,961	Accounts payable	109,434	119,771
Principal and interest receivable	45,566	85,191	Derivative liabilities (Note 10)	24,936	6,885
Equity investments[B]	66,859	114,763	Due to servicers	70,477	88,645
Other receivables	99,190	117,045	Due to Agencies	42,118	39,201
Real Estate Owned	68,618	93,672	Contingent Consideration	57,149	55,222
Single-family rental properties	26,193	24,133	Accrued compensation and benefits	51,728	41,228
Goodwill[C]	29,468	29,737	Excess spread financing, at fair value	22,059	31,777
Notes Receivable[D]	47,318	37,001	Operating lease liabilities	35,165	38,520
Warrants, at fair value	23,009	28,042	Reserve for sales recourse	11,560	12,549
Recovery asset	17,092	23,100	Reserve for servicing losses	16,030	—
Property and equipment	23,419	18,018	Other liabilities	11,574	22,976
Receivable from government agency[E]	15,971	19,670		$ 532,249	$ 600,790
Intangible assets	36,002	40,963			
Prepaid expenses	24,236	19,249			
Operating lease right-of-use asset	29,794	32,120			
Derivative assets (Note 10)	166,613	41,501			
Ocwen common stock, at fair value	3,831	7,952			
Deferred tax asset, net	148,746	8,669			
Other assets	38,362	51,230			
	$ 1,194,057	$ 1,395,800			

(A) Represents collateral posted primarily as a result of changes in fair value of our 1) real estate securities securing our repurchase agreements and 2) derivative instruments.

(B) Represents equity investments in funds that invest in 1) a commercial redevelopment project, 2) operating companies in the single-family housing industry. The indirect investments are accounted for at fair value based on the net asset value ("NAV") of New Residential's investment and as an equity method investment, respectively. Equity investments also includes an investment in Covius Holding Inc. ("Covius"), a provider of various technology-enabled services to the mortgage and real estate industries.

(C) Includes goodwill derived from the acquisition of Shellpoint Partners LLC ("Shellpoint") and DGG RE Investments d/b/a Guardian Asset Management LLC ("Guardian").

(D) Represents a subordinated debt facility to Covius.

(E) Represents claims receivable from the FHA on early buyout ("EBO") and reverse mortgage loans for which foreclosure has been completed and for which New Residential has made or intends to make a claim on the FHA guarantee.

As a result of the economic uncertainties arising from the COVID-19 pandemic, the impact of the uncertainty on the financial and mortgage-related asset markets, and the associated decreases in the Company's common and preferred stock prices, the Company performed a qualitative impairment analysis for goodwill and intangible assets. Based on the analysis, the Company determined no impairment had occurred during the six months ended June 30, 2020. Such analysis required management to assess current and future market conditions. Given the uncertainty inherent in the analysis, heightened by the possibility of unforeseen effects of COVID-19, actual results may differ from assumptions used, or conditions may change, which could

result in impairment charges in the future. In the event that the Company concludes that all or a portion of its goodwill or intangible asset is impaired, a non-cash charge for the amount of such impairment would be recorded to earnings. Such a charge would have no impact on tangible capital.

Accretion and Other Amortization — As reflected on the Condensed Consolidated Statements of Cash Flows, this item is comprised of the following:

	Six Months Ended June 30,	
	2020	**2019**
Accretion of net discount on securities and loans	$ 62,791	235,003
Accretion of servicer advances receivable discount and servicer advance investments	13,464	12,957
Accretion of excess mortgage servicing rights income	12,582	11,830
Amortization of deferred financing costs	(5,992)	(1,925)
Amortization of discount on notes and bonds payable	(246)	(910)
Amortization of discount on term loan	(1,609)	—
	$ 80,990	$ 256,955

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.

	Real Estate Owned
Balance at December 31, 2019	$ 93,672
Purchases	3,910
Transfer of loans to real estate owned	28,197
Sales(A)	(55,791)
Valuation (provision) reversal on REO	(1,370)
Balance at June 30, 2020	$ 68,618

(A) Recognized when control of the property has transferred to the buyer.

As of June 30, 2020, New Residential had residential mortgage loans that were in the process of foreclosure with an unpaid principal balance of $60.9 million.

In addition, New Residential has recognized $15.0 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.

3. SEGMENT REPORTING

New Residential's portfolio consists of the following segments: (i) Origination, (ii) Servicing, (iii) MSR Related Investments, (iv) Residential Securities and Loans, (v) Consumer Loans and (vi) Corporate, organized based on differences in services and products. The corporate segment consists primarily of general and administrative expenses, management fees and incentive compensation related to the Management Agreement, corporate cash and related interest income.

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:

	Servicing and Origination					Residential Securities and Loans				
	Origination	Servicing	MSR Related Investments	Elimination[A]	Total Servicing and Origination	Real Estate Securities	Residential Mortgage Loans	Consumer Loans	Corporate	Total
Three Months Ended June 30, 2020										
Interest income	$ 8,963	$ 1,115	$ 108,386	$ —	$ 118,464	$ 33,663	$ 47,284	$ 32,787	$ —	$ 232,198
Servicing revenue, net	(1,998)	96,885	(123,620)	(61,726)	(90,459)	—	—	—	—	(90,459)
Gain on originated mortgage loans, held-for-sale, net	281,937	343	33,152	(3,561)	311,871	—	(1,849)	—	—	310,022
Total revenue	288,902	98,343	17,918	(65,287)	339,876	33,663	45,435	32,787	—	451,761
Operating expenses	108,129	74,018	213,774	(61,726)	334,195	18,023	36,749	9,918	37,651	436,536
Other income (loss)	390	—	(90,665)	—	(90,275)	47,837	36,676	29,984	381	24,603
Impairment	—	—	(91)	—	(91)	(25,134)	3,515	—	—	(21,710)
Income (loss) before income taxes	181,163	24,325	(286,430)	(3,561)	(84,503)	88,611	41,847	52,853	(37,270)	61,538
Income tax expense (benefit)	20,083	1,224	(6,832)	—	14,475	—	2,918	16	—	17,409
Net income (loss)	$ 161,080	$ 23,101	$ (279,598)	$ (3,561)	$ (98,978)	$ 88,611	$ 38,929	$ 52,837	$ (37,270)	$ 44,129
Noncontrolling interests in income (loss) of consolidated subsidiaries	$ 4,419	$ —	$ 8,591	$ —	$ 13,010	$ —	$ —	$ 25,630	$ —	$ 38,640
Dividends on preferred stock	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 14,357	$ 14,357
Net income (loss) attributable to common stockholders	$ 156,661	$ 23,101	$ (288,189)	$ (3,561)	$ (111,988)	$ 88,611	$ 38,929	$ 27,207	$ (51,627)	$ (8,868)

	Servicing and Origination					Residential Securities and Loans				
	Origination	Servicing	MSR Related Investments	Elimination[A]	Total Servicing and Origination	Real Estate Securities	Residential Mortgage Loans	Consumer Loans	Corporate	Total
Six Months Ended June 30, 2020										
Interest income	$ 25,698	$ 8,602	$ 207,739	$ —	$ 242,039	$ 217,668	$ 107,205	$ 67,659	$ —	$ 634,571
Servicing revenue, net	(3,076)	183,627	(474,207)	(85,918)	(379,574)	—	—	—	—	(379,574)
Gain on originated mortgage loans, held-for-sale, net	440,152	602	55,240	(12,936)	483,058	—	6,662	—	—	489,720
Total revenue	462,774	192,831	(211,228)	(98,854)	345,523	217,668	113,867	67,659	—	744,717
Operating expenses	221,768	138,566	379,629	(85,918)	654,045	132,886	84,278	20,468	64,632	956,309
Other income (loss)	374	499	(247,598)	—	(246,725)	(918,202)	(155,595)	(10,767)	(46,769)	(1,378,058)
Impairment	—	—	(91)	—	(91)	19,015	104,011	—	—	122,935
Income (loss) before income taxes	241,380	54,764	(838,364)	(12,936)	(555,156)	(852,435)	(230,017)	36,424	(111,401)	(1,712,585)
Income tax expense (benefit)	32,041	7,269	(116,617)	—	(77,307)	—	(72,283)	131	—	(149,459)
Net income (loss)	$ 209,339	$ 47,495	$ (721,747)	$ (12,936)	$ (477,849)	$ (852,435)	$ (157,734)	$ 36,293	$ (111,401)	$ (1,563,126)
Noncontrolling interests in income (loss) of consolidated subsidiaries	$ 5,702	$ —	$ (2,656)	$ —	$ 3,046	$ —	$ —	$ 19,432	$ —	$ 22,478
Dividends on preferred stock	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 25,579	$ 25,579
Net income (loss) attributable to common stockholders	$ 203,637	$ 47,495	$ (719,091)	$ (12,936)	$ (480,895)	$ (852,435)	$ (157,734)	$ 16,861	$ (136,980)	$ (1,611,183)

	Servicing and Origination					Residential Securities and Loans				
	Origination	Servicing	MSR Related Investments	Elimination[A]	Total Servicing and Origination	Real Estate Securities	Residential Mortgage Loans	Consumer Loans	Corporate	Total
June 30, 2020										
Investments	$ 1,750,568	$ —	$ 6,039,020	$ —	$ 7,789,588	$ 6,144,236	$ 2,614,314	$ 766,462	$ —	$ 17,314,600
Cash and cash equivalents	159,242	83,066	362,659	—	604,967	111,571	19,210	7,477	269,983	1,013,208
Restricted cash	3,224	5,209	87,199	—	95,632	11,259	—	32,041	—	138,932
Other assets	231,088	197,243	3,166,414	—	3,594,745	217,354	1,356,432	60,095	27,315	5,255,941
Goodwill	11,836	12,540	5,092	—	29,468	—	—	—	—	29,468
Total assets	$ 2,155,958	$ 298,058	$ 9,660,384	$ —	$ 12,114,400	$ 6,484,420	$ 3,989,956	$ 866,075	$ 297,298	$ 23,752,149
Debt	$ 1,607,829	$ 6,669	$ 6,383,566	$ —	$ 7,998,064	$ 5,314,581	$ 2,015,476	$ 722,839	$ 533,383	$ 16,584,343
Other liabilities	201,530	55,774	209,335	—	466,639	119,506	1,119,831	3,916	68,942	1,778,834
Total liabilities	1,809,359	62,443	6,592,901	—	8,464,703	5,434,087	3,135,307	726,755	602,325	18,363,177
Total equity	346,599	235,615	3,067,483	—	3,649,697	1,050,333	854,649	139,320	(305,027)	5,388,972
Noncontrolling interests in equity of consolidated subsidiaries	15,186	—	40,333	—	55,519	—	—	41,162	—	96,681
Total New Residential stockholders' equity	$ 331,413	$ 235,615	$ 3,027,150	$ —	$ 3,594,178	$ 1,050,333	$ 854,649	$ 98,158	$ (305,027)	$ 5,292,291
Investments in equity method investees	$ —	$ —	$ 147,017	$ —	$ 147,017	$ —	$ —	$ —	$ —	$ 147,017

	Servicing and Origination					Residential Securities and Loans				
	Origination	Servicing	MSR Related Investments	Elimination[A]	Total Servicing and Origination	Real Estate Securities	Residential Mortgage Loans	Consumer Loans	Corporate	Total
Three Months Ended June 30, 2019										
Interest income	$ 9,280	$ 8,151	$ 129,985	$ —	$ 147,416	$ 168,489	$ 56,303	$ 43,839	$ —	$ 416,047
Servicing revenue, net	(397)	48,563	(112,925)	(20,778)	(85,537)	—	—	—	—	(85,537)
Gain on sale of originated mortgage loans, net	73,943	244	12,105	(10,218)	76,074	—	24,944	—	—	101,018
Total revenue	82,826	56,958	29,165	(30,996)	137,953	168,489	81,247	43,839	—	431,528
Operating expenses	64,404	40,632	149,959	(20,778)	234,217	107,765	48,585	15,834	23,466	429,867
Other income (loss)	(102)	—	(67,335)	—	(67,437)	(37,446)	88,148	(12,204)	2,992	(25,947)
Impairment	—	—	—	—	—	8,859	5,800	7,652	—	22,311
Income (loss) before income taxes	18,320	16,326	(188,129)	(10,218)	(163,701)	14,419	115,010	8,149	(20,474)	(46,597)
Income tax expense (benefit)	10,810	11,669	(76,723)	—	(54,244)	—	32,488	179	—	(21,577)
Net income (loss)	$ 7,510	$ 4,657	$ (111,406)	$ (10,218)	$ (109,457)	$ 14,419	$ 82,522	$ 7,970	$ (20,474)	$ (25,020)
Noncontrolling interests in income (loss) of consolidated subsidiaries	$ 1,543	$ —	$ 331	$ —	$ 1,874	$ —	$ —	$ 5,049	$ —	$ 6,923
Dividends on Preferred Stock	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Net income (loss) attributable to common stockholders	$ 5,967	$ 4,657	$ (111,737)	$ (10,218)	$ (111,331)	$ 14,419	$ 82,522	$ 2,921	$ (20,474)	$ (31,943)

	Servicing and Origination					Residential Securities and Loans				
	Origination	Servicing	MSR Related Investments	Elimination[A]	Total Servicing and Origination	Real Estate Securities	Residential Mortgage Loans	Consumer Loans	Corporate	Total
Six Months Ended June 30, 2019										
Interest income	$ 14,864	$ 14,334	$ 250,018	$ —	$ 279,216	$ 372,962	$ 114,492	$ 88,244	$ —	$ 854,914
Servicing revenue, net	(667)	92,084	15,812	(26,913)	80,316	—	—	—	—	80,316
Gain on sale of originated mortgage loans, net	124,755	333	21,615	(19,303)	127,400	—	40,788	—	—	168,188
Total revenue	138,952	106,751	287,445	(46,216)	486,932	372,962	155,280	88,244	—	1,103,418
Operating expenses	115,925	76,952	261,581	(26,913)	427,545	210,254	93,756	32,456	59,075	823,086
Other income (loss)	957	—	(89,200)	—	(88,243)	(84,404)	84,703	(7,673)	5,704	(89,913)
Impairment	—	—	—	—	—	16,375	(4)	18,736	—	35,107
Income (loss) before income taxes	23,984	29,799	(63,336)	(19,303)	(28,856)	61,929	146,231	29,379	(53,371)	155,312
Income tax expense (benefit)	12,359	15,355	(42,584)	—	(14,870)	—	39,032	258	—	24,420
Net income (loss)	$ 11,625	$ 14,444	$ (20,752)	$ (19,303)	$ (13,986)	$ 61,929	$ 107,199	$ 29,121	$ (53,371)	$ 130,892
Noncontrolling interests in income (loss) of consolidated subsidiaries	$ 1,950	$ —	$ 2,782	$ —	$ 4,732	$ —	$ —	$ 12,509	$ —	$ 17,241
Dividends on Preferred Stock	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Net income (loss) attributable to common stockholders	$ 9,675	$ 14,444	$ (23,534)	$ (19,303)	$ (18,718)	$ 61,929	$ 107,199	$ 16,612	$ (53,371)	$ 113,651

4. INVESTMENTS IN EXCESS MORTGAGE SERVICING RIGHTS ASSETS

Excess mortgage servicing rights assets include New Residential's direct investments in Excess MSRs and investments in joint ventures jointly controlled by New Residential and Fortress-managed funds investing in Excess MSRs. The table below summarizes the components of excess mortgage servicing rights assets as presented on the Condensed Consolidated Balance Sheets:

	June 30, 2020	December 31, 2019
Direct investments in Excess MSRs	$ 346,450	$ 379,747
Excess MSR Joint Ventures	112,473	125,596
Excess mortgage servicing rights assets, at fair value	$ 458,923	$ 505,343

Direct Investments in Excess MSRs

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

	Servicer		
	Mr. Cooper	SLS[A]	Total
Balance as of December 31, 2019	$ 377,692	$ 2,055	$ 379,747
Interest income	12,561	21	12,582
Other income	1,202	—	1,202
Proceeds from repayments	(35,708)	(216)	(35,924)
Proceeds from sales	(48)	—	(48)
Change in fair value	(11,184)	75	(11,109)
Balance as of June 30, 2020	$ 344,515	$ 1,935	$ 346,450

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

Mr. Cooper or SLS, 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 direct Excess MSR investments serviced by Mr. Cooper and SLS. Under such arrangements, New Residential is generally entitled to a pro rata interest in the Excess MSRs on any refinancing by Mr. Cooper 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 direct investments in Excess 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 prepayment risk and other market factors on the Excess MSRs.

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

	June 30, 2020							December 31, 2019
	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	Mr. Cooper				
Agency								
Original and Recaptured Pools	$ 39,833,663	32.5% - 66.7% (53.3%)	0.0% - 40.0%	20.0% - 35.0%	5.8	$ 162,415	$ 186,928	$ 209,633
Non-Agency[E]								
Mr. Cooper and SLS Serviced:								
Original and Recaptured Pools	41,832,962	33.3% - 100.0% (59.4%)	0.0% - 50.0%	0.0% - 33.3%	6.5	118,875	159,522	170,114
Total	$ 81,666,625				6.1	$ 281,290	$ 346,450	$ 379,747

(A) 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 and recapture agreements, as applicable.
(D) Amounts in parentheses represent weighted averages.
(E) New Residential is also invested in related Servicer Advance Investments, including the basic fee component of the related MSR as of June 30, 2020 (Note 6) on $28.8 billion UPB underlying these Excess MSRs.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Original and Recaptured Pools	$ (85)	$ (8,455)	$ (11,109)	$ (3,828)

As of June 30, 2020, a weighted average discount rate of 8.3% was used to value New Residential's investments in Excess MSRs (directly and through equity method investees).

Excess MSR Joint Ventures

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:

	June 30, 2020	December 31, 2019
Excess MSR assets	$ 200,650	$ 226,843
Other assets	24,983	25,035
Other liabilities	(687)	(687)
Equity	$ 224,946	$ 251,191
New Residential's investment	$ 112,473	$ 125,596
New Residential's ownership	50.0 %	50.0 %

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Interest income	$ 536	$ 190	$ 7,850	$ 4,261
Other income (loss)	(4,632)	(6,727)	(12,852)	(5,557)
Expenses	(8)	(15)	(16)	(32)
Net income (loss)	$ (4,104)	$ (6,552)	$ (5,018)	$ (1,328)

The following table summarizes the activity of New Residential's investments in equity method investees:

Balance at December 31, 2019	$ 125,596
Distributions of earnings from equity method investees	(1,172)
Distributions of capital from equity method investees	(9,442)
Change in fair value of investments in equity method investees	(2,509)
Balance at June 30, 2020	$ 112,473

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

	June 30, 2020					
	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	$ 31,923,937	66.7 %	50.0 %	$ 156,169	$ 200,650	5.6

(A) The remaining interests are held by Mr. Cooper.
(B) Represents the amortized cost basis of the equity method investees in which New Residential holds a50% 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 a50% interest. Carrying value represents the fair value of the pools and recapture agreements, as applicable.
(D) Represents the weighted average expected timing of the receipt of cash flows of each investment.

5. INVESTMENTS IN MORTGAGE SERVICING RIGHTS AND MSR FINANCING RECEIVABLES

The Company owns and records at fair value the rights to service residential mortgage loans, either as a result of purchase transactions or from the retained mortgage servicing associated with the sales and securitizations of loans originated. Investments in MSRs are comprised of servicing rights of both agency and non-agency loans. In certain cases where New Residential has legally purchased MSRs or the right to the economic interest in MSRs, 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 MSR financing receivables ("MSR Financing Receivables"). Income from these investments, net of subservicing fees, are recorded as Interest income with changes in fair value flowing through Change in fair value of investments in the Condensed Consolidated Statements of Income.

A subsidiary of New Residential, New Residential Mortgage LLC ("NRM"), engages third party licensed mortgage servicers as subservicers and, in relation to certain MSR purchases, interim 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" in New Residential's Condensed Consolidated Statements of Income. As of June 30, 2020, these subservicers include PHH Mortgage Corporation ("PHH"), LoanCare, LLC ("LoanCare"), Mr. Cooper, and Flagstar Bank, FSB ("Flagstar"), which subservice 22.2%, 20.8%, 17.7%, and 0.8% of the underlying UPB of the related mortgages, respectively (includes both Mortgage Servicing Rights and MSR Financing Receivables). The remaining 38.5% of the underlying UPB of the related mortgages is subserviced by the servicing division of NewRez.

NRM has entered into recapture agreements with respect to each of its MSR investments. Under the recapture agreements, NRM is generally entitled to the MSRs on any initial or subsequent refinancing by an NRM subservicer or by NewRez.

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

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

	MSRs	MSR Financing Receivables	Total
Balance as of December 31, 2019	$ 3,967,960	$ 1,718,273	$ 5,686,233
Purchases, net[A]	456,665	4,362	461,027
Originations[B]	268,098	—	268,098
Prepayments[C]	(31,222)	(23,369)	(54,591)
Proceeds from sales	(9,801)	(3,708)	(13,509)
Amortization of servicing rights[D]	(483,639)	(145,951)	(629,590)
Change in valuation inputs and assumptions[E]	(624,561)	(77,931)	(702,492)
(Gain) loss on sales	7,659	(1,749)	5,910
Balance as of June 30, 2020	$ 3,551,159	$ 1,469,927	$ 5,021,086

(A) Net of purchase price adjustments.
(B) Represents MSRs retained on the sale of originated mortgage loans.
(C) Represents purchase price fully reimbursable from sellers as a result of prepayment protection.
(D) 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.
(E) Includes changes in inputs or assumptions used in the valuation model.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Servicing fee revenue	$ 332,376	$ 196,249	$ 660,498	$ 379,275
Ancillary and other fees	18,198	52,813	50,336	92,550
Servicing fee revenue and fees	350,574	249,062	710,834	471,825
Amortization of servicing rights	(288,573)	(105,321)	(479,940)	(177,996)
Change in valuation inputs and assumptions[A] [B]	(154,416)	(229,278)	(618,127)	(213,513)
(Gain) loss on sales	1,956	—	7,659	—
Servicing revenue, net	$ (90,459)	$ (85,537)	$ (379,574)	$ 80,316

(A) Includes changes in inputs or assumptions used in the valuation model.
(B) Includes $1.9 million and $7.6 million for the three months ended June 30, 2020 and 2019, respectively, and $6.4 million and $8.0 million for the six months ended June 30, 2020 and 2019, respectively, of fair value adjustment to excess spread financing.

Interest income from investments in MSR Financing Receivables was composed of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Servicing fee revenue	$ 106,861	$ 130,126	$ 220,443	$ 256,370
Ancillary and other fees	17,716	29,954	43,716	61,278
Less: subservicing expense	(40,131)	(49,577)	(82,034)	(105,239)
Interest income, investments in MSR financing receivables	$ 84,446	$ 110,503	$ 182,125	$ 212,409

Change in fair value of investments in MSR Financing Receivables was composed of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Amortization of servicing rights	$ (77,199)	$ (40,201)	$ (145,951)	$ (83,077)
Change in valuation inputs and assumptions[A]	(44,321)	(14,850)	(77,931)	(7,912)
(Gain) loss on sales[B]	—	(360)	(1,749)	(801)
Change in fair value of investments in MSR financing receivables	$ (121,520)	$ (55,411)	$ (225,631)	$ (91,790)

(A) Includes changes in inputs or assumptions used in the valuation model and other changes due to the realization of expected cash flows.
(B) Represents the realization of unrealized gain (loss) as a result of sales.

The following is a summary of New Residential's investments in MSRs and MSR Financing Receivables as of June 30, 2020:

	UPB of Underlying Mortgages	Weighted Average Life (Years)[A]	Carrying Value[B]
MSRs:			
Agency[C]	$ 315,552,886	5.2	$ 2,927,046
Non-Agency	6,065,805	4.3	18,400
Ginnie Mae[D]	57,779,101	4.3	605,713
	379,397,792	5.1	3,551,159
MSR Financing Receivables:			
Agency[C]	43,073,285	5.0	382,078
Non-Agency	71,380,202	7.7	1,087,849
	114,453,487	6.7	1,469,927
Total	$ 493,851,279	5.4	$ 5,021,086

(A) Represents the weighted average expected timing of the receipt of expected cash flows for this investment.
(B) Carrying value represents fair value. As of June 30, 2020, weighted average discount rates of8.2% and 9.5% were used to value New Residential's investments in MSRs and MSR financing receivables, respectively.
(C) Represents Fannie Mae and Freddie Mac MSRs.
(D) As of June 30, 2020, New Residential holds approximately $1,075.0 million in residential mortgage loans subject to repurchase and residential mortgage loans repurchase liability on its Condensed Consolidated Balance Sheets. See Note 8 for further discussion.

Ocwen MSR Financing Receivable Transactions

In July 2017, Ocwen Loan Servicing, LLC (collectively with certain affiliates, "Ocwen") and New Residential entered into an agreement in which both parties agreed to undertake certain actions to facilitate the transfer from Ocwen to New Residential of Ocwen's remaining interests in the mortgage servicing rights relating to loans with an aggregate unpaid principal balance of approximately $110.0 billion and with respect to which New Residential already held certain rights ("Rights to MSRs"). Ocwen and New Residential concurrently entered into a subservicing agreement pursuant to which Ocwen agreed to subservice the mortgage loans related to the MSRs that were transferred to New Residential.

In January 2018, 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. PHH (as successor by merger to Ocwen) will continue to service the mortgage loans related to the MSRs until any necessary third-party consents to transferring the MSRs are obtained and all other conditions to transferring the MSRs are satisfied, at which time PHH will transfer the MSRs to New Residential.

As of June 30, 2020, MSRs representing approximately $66.7 billion UPB of underlying loans were transferred from PHH to NRM and NewRez. Although the MSRs transferred 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 or NewRez, and that the purchase agreement would not be treated as a sale under GAAP.

The table below summarizes the geographic distribution of the underlying residential mortgage loans of the investments in MSRs and MSR Financing Receivables:

	Percentage of Total Outstanding Unpaid Principal Amount	
State Concentration	**June 30, 2020**	**December 31, 2019**
California	22.9 %	21.9 %
Florida	7.0 %	6.9 %
New York	6.4 %	6.4 %
Texas	5.3 %	5.5 %
New Jersey	4.8 %	4.9 %
Illinois	3.5 %	3.6 %
Massachusetts	3.3 %	3.4 %
Washington	3.2 %	3.3 %
Georgia	3.1 %	3.1 %
Maryland	3.0 %	3.0 %
Other U.S.	37.5 %	38.0 %
	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

NewRez performs servicing of residential mortgage loans for third parties under subservicing agreements. Mortgage subservicing does not meet the criteria to be recognized as a mortgage 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 June 30, 2020 and 2019 was $82.7 billion and $51.1 billion, respectively. New Residential earned subservicing revenue of $94.2 million and $64.7 million for the six months ended June 30, 2020 and 2019, respectively, related to subserviced UPB which 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), which it records at fair value upon acquisition.

In addition to receiving cash flows from the MSRs, NRM and NewRez, as servicers, have the obligation to fund future servicer advances on the underlying pool of mortgages (Note 15). These servicer advances are recorded when advanced and are included in Servicer Advances Receivable on the Condensed Consolidated Balance Sheets.

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

	June 30, 2020	**December 31, 2019**
Principal and interest advances	$ 692,849	$ 660,807
Escrow advances (taxes and insurance advances)	2,159,978	2,427,384
Foreclosure advances	145,909	163,054
Total[(A)(B)(C)]	$ 2,998,736	$ 3,251,245

(A) Includes $394.4 million and $562.2 million of servicer advances receivable related to Agency MSRs, respectively, recoverable from the Agencies.

(B) Includes $105.0 million and $166.5 million of servicer advances receivable related to Ginnie Mae MSRs, respectively, recoverable from Ginnie Mae. Reserves for advances associated with Ginnie Mae loans in the MSR portfolio are considered in the MSR fair valuation through a nonreimbursable advance loss assumption.
(C) Excludes $51.1 million and $50.1 million, respectively, in unamortized advance discount and reserves, net of accruals for advance recoveries.

New Residential's Servicer Advances Receivable related to Non-Agency MSRs generally have the highest reimbursement priority pursuant to the underlying servicing agreements (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 December 31, 2019, expected full recovery of the Servicer Advance Receivables. For advances on loans that have been liquidated, sold, paid in full or modified, the Company has reserved $19.7 million for expected non-recovery of advances as of June 30, 2020.

See Note 11 regarding the financing of MSRs.

6. SERVICER ADVANCE INVESTMENTS

All of New Residential's Servicer Advance Investments consist 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 Advance Purchaser LLC (the "Buyer"), a joint venture entity, and owned an approximately 73.2% interest in the Buyer as of June 30, 2020. The Buyer is a limited liability company which was established in December 2013 for the purpose of investing in residential mortgage related assets. As of June 30, 2020, 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 June 30, 2020, the noncontrolling third-party co-investors and New Residential had previously funded their commitments; however, the Buyer may recall $328.4 million and $306.9 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.

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)]
June 30, 2020					
Servicer Advance Investments	$ 537,388	$ 559,011	5.3 %	5.7 %	6.3
December 31, 2019					
Servicer Advance Investments	$ 557,444	$ 581,777	5.3 %	5.7 %	6.3

(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.

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

	UPB of Underlying Residential Mortgage Loans	Outstanding Servicer Advances	Servicer Advances to UPB of Underlying Residential Mortgage Loans	Face Amount of Notes and Bonds Payable	Loan-to-Value ("LTV")[A]		Cost of Funds[C]	
					Gross	Net[B]	Gross	Net
June 30, 2020								
Servicer Advance Investments[D]	$ 28,834,119	$ 467,339	1.6 %	$ 442,002	88.9 %	87.9 %	2.9 %	2.9 %
December 31, 2019								
Servicer Advance Investments[D]	$ 31,442,267	$ 462,843	1.5 %	$ 443,248	88.3 %	87.2 %	3.4 %	2.8 %

(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:

	June 30, 2020	December 31, 2019
Principal and interest advances	$ 113,039	$ 71,574
Escrow advances (taxes and insurance advances)	167,167	180,047
Foreclosure advances	187,133	211,222
Total	$ 467,339	$ 462,843

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Interest income, gross of amounts attributable to servicer compensation	$ 27,905	$ 13,932	$ 17,655	$ 29,008
Amounts attributable to base servicer compensation	(2,504)	(1,407)	(1,622)	(2,972)
Amounts attributable to incentive servicer compensation	(5,230)	(7,080)	(13,951)	(13,507)
Interest income from Servicer Advance Investments	$ 20,171	$ 5,445	$ 2,082	$ 12,529

7. INVESTMENTS IN REAL ESTATE AND OTHER SECURITIES

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

Effective January 1, 2020, New Residential elected to apply the fair value option for any new purchases of Non-Agency RMBS. Effective April 1, 2020, New Residential elected to apply the fair value option for any new purchases of Agency RMBS. The fair value option provides an election which allows a company to irrevocably elect fair value for certain financial assets and liabilities on an instrument-by-instrument basis at initial recognition.

For securities for which the fair value option was elected, any unrealized gains (losses) from the change in fair value are recorded in Change in fair value of investments in the Condensed Consolidated Statements of Income.

For securities for which the fair value option was not elected, any unrealized gains (losses) from the change in fair value are recorded as a component of accumulated other comprehensive income in the Condensed Consolidated Statement of Changes in Stockholders' Equity, to the extent impairment losses are considered non-credit related. Expected credit losses are reflected in the Provision (reversal) for credit losses in the Condensed Consolidated Statements of Income. The Company estimates expected credit losses using a discounted cash flow ("DCF") approach. The DCF approach considers available relevant information about the collectability of cash flows, including information about past events, current conditions, and reasonable

and supportable forecasts. The Company generates cash flow projections at the instrument level wherein payment expectations are adjusted for estimated prepayment speeds, default rates, and loss severities.

Realized gains (losses) on securities are recorded in gain (loss) on settlement of investments, net in the Condensed Consolidated Statements of Income. Interest income is recognized over the life of the security using the effective interest method and is recorded on the accrual basis.

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

	Six Months Ended June 30,			
	2020		2019	
(in millions)	Agency	Non-Agency	Agency	Non-Agency
Purchases				
Face	$ 10,862.6	$ 5,083.1	$ 12,817.1	$ 4,574.2
Purchase price	11,149.5	575.0	13,089.1	917.9
Sales				
Face	$ 17,395.0	$ 7,487.8	$ 11,825.1	$ 837.5
Amortized cost	17,679.3	5,557.2	12,105.6	738.6
Sale price	17,869.1	4,624.6	12,198.6	752.0
Gain (loss) on sale	189.8	(932.6)	93.0	13.4

As of June 30, 2020, New Residential had purchased $0.1 billion face amount for $0.1 billion of Agency RMBS and sold $0.2 billion face amount for $0.2 billion of Non-Agency RMBS, which had not yet been settled. As of June 30, 2019, New Residential had sold and purchased $5.1 billion and $0.3 billion face amount of Agency RMBS for $5.3 billion and $0.3 billion, respectively, and purchased $21.6 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 Condensed Consolidated Balance Sheets 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 Notes 8 and 16 for further details on these transactions.

The following is a summary of New Residential's real estate and other securities:

	June 30, 2020											December 31, 2019
			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
Agency RMBS	$ 301,350	$ 303,173	$ 20,231	$ —	$ 323,404	26	AAA	2.95 %	2.78 %	6.4	N/A	$ 11,519,943
Agency RMBS at FVO	3,722,586	3,858,145	23,711	—	3,881,856	7	AAA	2.50 %	1.78 %	5.9	N/A	—
Total Agency RMBS[F][G]	4,023,936	4,161,318	43,942	—	4,205,260	33	AAA	2.53 %	1.86 %	6.0	N/A	11,519,943
Non-Agency RMBS[H][I]	23,019,974	1,965,450	85,061	(111,535)	1,938,976	613	AA-	3.08 %	5.36 %	7.8	13.1 %	7,957,785
Total/ Weighted Average	$ 27,043,910	$ 6,126,768	$ 129,003	$ (111,535)	$ 6,144,236	646	AA+	1.12 %	2.98 %	6.5		$ 19,477,728

(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 374 bonds with a carrying value of $992.0 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 $26.8 million and $4.3 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 $4.0 billion for fixed rate securities as of June 30, 2020.

(H) The total outstanding face amount was $13.6 billion (including $12.4 billion of residual and fair value option notional amount) for fixed rate securities and $9.4 billion (including $8.3 billion of residual and fair value option notional amount) for floating rate securities as of June 30, 2020.

(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 consumer loans, and (iii) corporate debt.

			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	$ 10,250	$ 10,250	$ —	$ (102)	$ 10,148	1	B-	8.25 %	8.25 %	—	N/A
Consumer loan bonds	16,430	11,171	—	—	11,171	6	N/A	N/A	N/A	—	N/A
Fair value option securities:											
Interest-only securities	11,253,401	292,045	19,962	(28,697)	283,310	131	AA	1.31 %	13.20 %	2.7	N/A
Servicing strips	5,635,802	58,150	2,205	(7,525)	52,830	59	N/A	0.63 %	9.61 %	4.5	N/A

Unrealized losses attributable to credit impairment are recognized in earnings. During the six months ended June 30, 2020, New Residential recorded credit impairment charges of $19.0 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 June 30, 2020.

		Amortized Cost Basis			Gross			Weighted Average			
Securities in an Unrealized Loss Position	Outstanding Face Amount	Before Credit Impairment	Credit Impairment[(A)]	After Credit Impairment	Unrealized Losses	Carrying Value	Number of Securities	Rating	Coupon	Yield	Life (Years)
Less than 12 Months	$ 8,860,380	$ 1,005,995	$ (8,561)	$ 997,434	$ (98,478)	$ 898,956	184	BBB+	3.34 %	4.84 %	11.5
12 or More Months	2,381,211	96,175	(10,454)	85,721	(13,057)	72,664	60	A	1.80 %	2.87 %	2.6
Total/Weighted Average	$ 11,241,591	$ 1,102,170	$ (19,015)	$ 1,083,155	$ (111,535)	$ 971,620	244	BBB+	3.22 %	4.69 %	10.8

(A) Represents credit impairment on securities in an unrealized loss position as of June 30, 2020.

New Residential performed an assessment of all 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 credit impairment, exceeds its fair value) and determined the following:

	June 30, 2020				December 31, 2019			
			Gross Unrealized Losses				Gross Unrealized Losses	
	Fair Value	Amortized Cost Basis After Credit Impairment	Credit[A]	Non-Credit[B]	Fair Value	Amortized Cost Basis After Credit Impairment	Credit[A]	Non-Credit[B]
Securities New Residential intends to sell	$ 25,526	$ 25,526	$ (4,797)	N/A	$ —	$ —	$ —	$ —
Securities New Residential is more likely than not to be required to sell[C]	—	—	—	N/A	—	—	—	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	114,835	120,530	(14,218)	(5,695)	228,228	237,626	(3,232)	(9,398)
Non-credit impaired securities	831,259	937,099	—	(105,840)	4,726,409	4,767,837	—	(41,428)
Total debt securities in an unrealized loss position	$ 971,620	$ 1,083,155	$ (19,015)	$ (111,535)	$ 4,954,637	$ 5,005,463	$ (3,232)	$ (50,826)

(A) This amount is required to be recorded through earnings. In measuring the portion of credit losses, New Residential estimates the expected cash flow for each of the securities. This evaluation included 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 included New Residential's expectations of prepayment rates, default rates and loss severities. Credit losses were measured as the decline in the present value of the expected future cash flows discounted at the security'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) 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 the allowance for credit losses on debt securities (excluding credit impairment relating to securities New Residential intends to sell or is more likely than not required to sell):

	Purchased Credit Deteriorated	Non-Purchased Credit Deteriorated	Total
Allowance for credit losses on available-for-sale debt securities at December 31, 2019	$ —	$ —	$ —
Additions to the allowance for credit losses on securities for which credit losses were not previously recorded	—	—	—
Additions to the allowance for credit losses arising from purchases of available-for-sale debt securities accounted for as purchased financial assets with credit deterioration	—	—	—
Reductions for securities sold during the period	—	—	—
Reductions in the allowance for credit losses 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	—	—	—
Additional increases (decreases) to the allowance for credit losses on securities that had credit losses or an allowance recorded in a previous period	13,808	410	14,218
Write-offs charged against the allowance	—	—	—
Recoveries of amounts previously written off	—	—	—
Allowance for credit losses on available-for-sale debt securities at June 30, 2020	$ 13,808	$ 410	$ 14,218

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

	June 30, 2020		December 31, 2019	
Geographic Location[A]	**Outstanding Face Amount**	**Percentage of Total Outstanding**	**Outstanding Face Amount**	**Percentage of Total Outstanding**
Western U.S.	$ 8,023,586	34.9 %	$ 9,048,847	36.6 %
Southeastern U.S.	6,001,777	26.1 %	5,983,966	24.2 %
Northeastern U.S.	5,204,930	22.6 %	5,416,137	21.9 %
Midwestern U.S.	2,527,550	11.0 %	2,562,269	10.4 %
Southwestern U.S.	1,222,822	5.3 %	1,440,467	5.8 %
Other[B]	12,629	0.1 %	296,273	1.1 %
	$ 22,993,294	100.0 %	$ 24,747,959	100.0 %

(A) Excludes $16.4 million and $25.0 million face amount of bonds backed by consumer loans and $10.3 million and $85.0 million face amount of bonds backed by corporate debt as of June 30, 2020 and December 31, 2019, 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.

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
June 30, 2020	$ 1,084,164	$ 457,565
December 31, 2019	5,701,736	3,830,369

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

	Six Months Ended June 30, 2020
Balance at December 31, 2019	$ 1,882,476
Additions	76,960
Accretion	(52,310)
Reclassifications from (to) non-accretable difference	(2,889,848)
Disposals	1,303,414
Balance at June 30, 2020	$ 320,692

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. New Residential, through its wholly-owned subsidiary, NewRez, originates residential mortgage loans for sale and securitization to third parties and generally retains the servicing rights on the underlying loans.

NewRez, as an approved issuer of Ginnie Mae MBS, originates and securitizes government-insured residential mortgage loans. As the issuer of the Ginnie Mae guaranteed securitizations, NewRez has the unilateral right to repurchase loans from the

securitizations when they are delinquent for more than 90 days. Loans in forbearance that are unpaid for at least 90 days are included as delinquent loans permitted to be repurchased. Under GAAP, NewRez is required to recognize the right to loans on its balance sheet and establish a corresponding liability upon the triggering of the repurchase right regardless of whether NewRez intends to repurchase the loans. As of June 30, 2020, New Residential holds approximately $1,075.0 million in residential mortgage loans subject to repurchase and residential mortgage loans repurchase liability on its Condensed Consolidated Balance Sheets.

Upon adoption of ASU 2016-13 on January 1, 2020, New Residential elected to apply the fair value option for all held-for-investment residential mortgage loans. The fair value option provides an election which allows a company to irrevocably elect fair value for certain financial assets and liabilities on an instrument-by-instrument basis. The Company elected the fair value option for these loans to better align reported results with the underlying economic changes in value of the loans on the Company's Condensed Consolidated Balance Sheets.

The election of the fair value option resulted in the Company recognizing an adjustment of $6.0 million to reduce retained earnings attributable to the change in the fair value of residential mortgage loans. Unrealized gains (losses) from the change in fair value of residential mortgage loans are recognized in Change in fair value of investments in the Condensed Consolidated Statements of Income. Realized gains (losses) are recorded in Gain (loss) on settlement of investments, net in the Condensed Consolidated Statements of Income.

Residential mortgage loans for which the fair value option has been elected are not evaluated for credit impairment as changes in fair value are recorded in the Condensed Consolidated Statements of Income.

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. As of June 30, 2020, New Residential accounts for loans based on the following categories:

- Loans Held-for-Investment, at fair value
- Loans Held-for-Sale, at lower of cost or fair value
- Loans Held-for-Sale, at fair value

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

	June 30, 2020					December 31, 2019
	Outstanding Face Amount	Carrying Value	Loan Count	Weighted Average Yield	Weighted Average Life (Years)[A]	Carrying Value
Loan Type						
Total Residential Mortgage Loans, held-for-investment, at fair value[B]	$ 830,117	$ 750,332	13,168	7.2 %	6.4	$ 925,706
Acquired Reverse Mortgage Loans[C]	$ 12,604	$ 6,458	29	7.9 %	3.9	$ 5,844
Acquired Performing Loans[D][F]	224,268	198,150	4,680	6.0 %	4.1	857,821
Acquired Non-Performing Loans[E][F]	617,062	490,222	4,703	7.3 %	3.3	565,387
Total Residential Mortgage Loans, held-for-sale	$ 853,934	$ 694,830	9,412	7.0 %	3.5	$ 1,429,052
Acquired Performing Loans[D][F]	$ 1,245,660	$ 1,075,996	9,258	4.8 %	8.0	$ 3,024,288
Originated Loans	1,675,955	1,748,913	6,111	3.3 %	27.2	1,589,324
Total Residential Mortgage Loans, held-for-sale, at fair value	$ 2,921,615	$ 2,824,909	15,369	3.9 %	19.0	$ 4,613,612
Total Residential Mortgage Loans, held-for-sale	$ 3,775,549	$ 3,519,739				$ 6,042,664

(A) The weighted average life is based on the expected timing of the receipt of cash flows.
(B) Residential mortgage loans, held-for-investment, at fair value is grouped and presented as part of residential loans and variable interest entity consumer loans held-for-investment, at fair value on the Condensed Consolidated Balance Sheets.
(C) Represents a 70% participation interest that New Residential holds in a portfolio of reverse mortgage loans. Mr. Cooper holds the other30% interest and services the loans. The average loan balance outstanding based on total UPB

was $0.6 million. Approximately 51% 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.

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

(E) As of June 30, 2020, New Residential has placed Non-Performing Loans, held-for-sale on nonaccrual status, except as described in (E) below.

(F) Includes $30.0 million and $26.1 million UPB of Ginnie Mae EBO performing and non-performing loans, respectively, on accrual status as contractual cash flows are guaranteed by the FHA.

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	**June 30, 2020**	**December 31, 2019**
California	13.8 %	16.8 %
New York	8.5 %	9.9 %
Texas	8.3 %	7.5 %
Florida	7.5 %	7.7 %
Georgia	5.4 %	4.6 %
New Jersey	4.5 %	4.6 %
Illinois	3.4 %	3.4 %
Pennsylvania	3.3 %	3.1 %
North Carolina	3.0 %	2.6 %
Maryland	3.0 %	2.6 %
Other U.S.	39.3 %	37.2 %
	100.0 %	100.0 %

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

The following table summarizes the difference between the aggregate unpaid principal balance and the aggregate fair value of loans as of June 30, 2020:

Days Past Due	**Unpaid Principal Balance**	**Fair Value**	**Fair Value Over (Under) Unpaid Principal Balance**
90 to 119	$ 292,123	$ 244,837	$ (47,286)
120+	717,573	597,082	(120,491)
	$ 1,009,696	$ 841,919	$ (167,777)

Call Rights

New Residential has executed calls with respect to 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. For the six months ended June 30, 2020, New Residential executed calls on a total of 15 trusts and recognized $12.0 million of interest

income on securities held in the collapsed trusts and $48.3 million of gain on securitizations accounted for as sales. For the six months ended June 30, 2019, New Residential executed calls on a total of 59 trusts and recognized $37.2 million of interest income on securities held in the collapsed trusts and $8.1 million of gain on securitizations accounted for as sales. Refer to Note 16 for transactions with affiliates.

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 credit losses:

	December 31, 2019
Days Past Due	**Delinquency Status[A]**
Current	86.5 %
30-59	7.0 %
60-89	2.7 %
90-119[B]	0.7 %
120+[C]	3.1 %
	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.

The following table summarizes the activity for residential mortgage loans:

	Loans Held-for-Investment, at Fair Value	Loans Held-for-Sale, at Lower Cost or Fair Value	Loans Held-for-Sale, at Fair Value	Total
Balance at December 31, 2019	$ 925,706	$ 1,429,052	$ 4,613,612	$ 6,968,370
Fair value adjustment due to fair value option	(6,020)	—	—	(6,020)
Originations	—	—	19,252,135	19,252,135
Sales	—	(642,644)	(21,900,008)	(22,542,652)
Purchases/additional fundings	—	110,741	1,036,587	1,147,328
Proceeds from repayments	(64,802)	(81,699)	(95,595)	(242,096)
Transfer of loans to other assets[A]	—	(1,793)	(13,516)	(15,309)
Transfer of loans to real estate owned	(4,021)	(16,277)	(3,591)	(23,889)
Transfers of loans to held for sale	(59,681)	—	59,681	—
Valuation provision on loans	—	(102,550)	—	(102,550)
Changes in instrument-specific credit risk	6,923	—	(46,512)	(39,589)
Other factors	(47,773)	—	(77,884)	(125,657)
Balance at June 30, 2020	$ 750,332	$ 694,830	$ 2,824,909	$ 4,270,071

(A) 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 recognized as claims receivable in Other Assets (Note 2).

Net Interest Income

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Interest Income:				
Loans Held for Investment, at Fair Value	$ 13,229	$ 15,432	$ 28,338	$ 32,636
Loans Held-for-Sale, at Lower Cost or Fair Value	15,303	13,572	33,458	28,752
Loans Held-for-Sale, at Fair Value	27,715	39,075	71,107	72,844
Total Interest Income	56,247	68,079	132,903	134,232
Interest Expense:				
Loans Held for Investment, at Fair Value	5,408	5,759	10,608	11,764
Loans Held-for-Sale, at Lower Cost or Fair Value	6,358	8,708	14,888	17,515
Loans Held-for-Sale, at Fair Value	11,372	37,599	41,842	66,198
Total Interest Expense	23,138	52,066	67,338	95,477
Total Net Interest Income	$ 33,109	$ 16,013	$ 65,565	$ 38,755

Gain on originated mortgage loans, held-for-sale, net

NewRez, 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 NewRez 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 originated mortgage loans, held-for-sale, net in the Condensed Consolidated Statements of Income.

Gain on originated mortgage loans, held-for-sale, net is summarized below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Gain on loans originated and sold, net[A]	$ 236,583	$ 25,347	$ 275,870	$ 52,889
Gain (loss) on settlement of mortgage loan origination derivative instruments[B]	(175,568)	(18,318)	(221,881)	(29,741)
MSRs retained on transfer of loans[C]	72,202	57,920	268,098	94,349
Other[D]	15,962	9,499	32,590	16,779
Realized gain on sale of originated mortgage loans, net	$ 149,179	$ 74,448	$ 354,677	$ 134,276
Change in fair value of loans	6,102	22,633	28,377	27,982
Change in fair value of interest rate lock commitments (Note 10)	32,806	7,701	124,054	10,909
Change in fair value of derivative instruments (Note 10)	121,935	(3,764)	(17,388)	(4,979)
Gain on originated mortgage loans, held-for-sale, net	$ 310,022	$ 101,018	$ 489,720	$ 168,188

(A) Includes loan origination fees of $109.8 million and $386.8 million in the three and six months ended June 30, 2020, respectively, $60.9 million and $85.9 million in the three and six months ended June 30, 2019, respectively.
(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.

During the first quarter of 2018, New Residential formed entities (the "RPL Borrowers") that issued securitized debt collateralized by reperforming residential mortgage loans. New Residential evaluated these entities under the VIE model and concluded them to be VIEs. See Note 13 for information on the analysis and assets and liabilities related to these consolidated VIEs.

9. INVESTMENTS IN CONSUMER LOANS

New Residential, through 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 June 30, 2020, 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 and are grouped and presented as part of residential loans and variable interest entity consumer loans held-for-investment, at fair value on the Condensed Consolidated Balance Sheets. 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]
June 30, 2020						
Consumer Loan Companies						
Performing Loans	$ 564,899	53.5 %	$ 617,349	18.4 %	3.8	4.6 %
Purchased Credit Deteriorated Loans[C]	148,047	53.5 %	144,176	14.7 %	3.6	9.4 %
Other - Performing Loans	5,439	100.0 %	4,937	15.1 %	0.6	2.7 %
Total Consumer Loans, held-for-investment	$ 718,385		$ 766,462	17.6 %	3.7	5.5 %
December 31, 2019						
Consumer Loan Companies						
Performing Loans	$ 644,676	53.5 %	$ 682,310	18.8 %	4.0	4.7 %
Purchased Credit Deteriorated Loans[C]	170,083	53.5 %	136,633	15.5 %	3.7	10.1 %
Other - Performing Loans	9,158	100.0 %	8,602	15.1 %	0.7	6.1 %
Total Consumer Loans, held-for-investment	$ 823,917		$ 827,545	18.0 %	3.9	5.9 %

(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.

Upon adoption of ASU 2016-13 on January 1, 2020, New Residential elected to apply the fair value option for all consumer loans. The fair value option provides an election which allows a company to irrevocably elect fair value for certain financial asset and liabilities on an instrument-by-instrument basis. The Company elected the fair value option for these loans to better align reported results with the underlying economic changes in value of the loans on the Company's Condensed Consolidated Balance Sheet.

The election of the fair value option resulted in the Company recognizing an adjustment of $19.7 million to reduce retained earnings attributable to the change in the fair value of consumer loans, net of noncontrolling interests. Unrealized gains (losses) from the change in fair value of consumer loans are recognized in Change in fair value of investments in the Condensed Consolidated Statements of Income. Realized gains (losses) are recorded in Gain on settlement of investments, net in the Condensed Consolidated Statements of Income. See Note 2.

Consumer loans for which the fair value option has been elected are not evaluated for credit impairment as changes in fair value are recorded in the Condensed Consolidated Statements of Income. Interest income is recognized over the life of the loan using the effective interest method and is recorded on the accrual basis.

The following table summarizes the past due status and difference between the aggregate unpaid principal balance and the aggregate fair value of consumer loans as of June 30, 2020:

Days Past Due	Unpaid Principal Balance	Fair Value	Fair Value Over (Under) Unpaid Principal Balance
Under 90 Days	704,708	752,053	47,345
90 days or more past due	13,677	14,409	732
Total	718,385	766,462	48,077

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:

	December 31, 2019
Days Past Due	Delinquency Status[A]
Current	95.3 %
30-59	1.8 %
60-89	1.2 %
90-119[B]	0.7 %
120+[B] [C]	1.0 %
	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 fair value of consumer loans, held-for-investment were as follows:

Balance at December 31, 2019	$ 827,545
Fair value adjustment due to fair value option	36,472
Additional fundings[A]	17,684
Proceeds from repayments	(119,124)
Accretion of loan discount and premium amortization, net	13,108
Fair value adjustment due to:	
Changes in instrument-specific credit risk	(4,565)
Other factors	(4,658)
Balance at June 30, 2020	$ 766,462

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

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 accounted for its investment in LoanCo pursuant to the equity method of accounting because it could exercise significant influence over LoanCo but the requirements for consolidation are not met. As of December 31, 2019, LoanCo had distributed all net assets to New Residential.

Additionally, 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"). 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. 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. As of June 30, 2020 and December 31, 2019, the warrants are held on New Residential's balance sheet in Other Assets and carried at $23.0 million and $28.0 million, respectively.

The following table summarizes the income earned from the Company's investments in LoanCo and WarrantCo during 2019:

	Three Months Ended June 30, 2019[A]	Six Months Ended June 30, 2019[A]
Interest income	$ 11,390	$ 19,367
Interest expense	(3,665)	(6,487)
Change in fair value of consumer loans and warrants	(15,993)	(1,457)
Gain on sale of consumer loans	(1,222)	(1,668)
Other expenses	(1,462)	(2,918)
Net income	$ (10,952)	$ 6,837
New Residential's equity in net income	$ (2,654)	$ 1,657
New Residential's ownership	24.2 %	24.2 %

(A) Data for the period ended May 31, 2019 as a result of the one month reporting lag.

The following is a summary of LoanCo's consumer loan investments at June 30, 2019:

	Unpaid Principal Balance	Interest in Consumer Loans	Carrying Value	Weighted Average Coupon	Weighted Average Expected Life (Years)[A]	Weighted Average Delinquency[B]
June 30, 2019[C]	$ 414,530	25.0 %	$ 409,379	14.6 %	1.3	1.4 %

(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 May 31, 2019 as a result of the one month reporting lag.

10. DERIVATIVES

New Residential uses interest rate swaps and interest rate caps as 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.

New Residential may at times hold to-be-announced forward contract positions ("TBAs") in order to mitigate New Residential's interest rate risk on certain specified mortgage backed securities 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 may enter 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.

As of June 30, 2020, New Residential also held interest rate lock commitments ("IRLCs"), which represent a commitment to a particular interest rate provided the borrower is able to close the loan within a specified period, and forward loan sale and securities delivery commitments, which represent a commitment to sell specific mortgage loans at prices which are fixed as of the forward commitment date. New Residential enters into forward loan sale and securities delivery commitments in order to hedge the exposure related to IRLCs and mortgage loans that are not covered by mortgage loan sale commitments.

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

	Balance Sheet Location	June 30, 2020	December 31, 2019
Derivative assets			
Interest Rate Swaps[A]	Other assets	$ —	$ 155
Interest Rate Lock Commitments	Other assets	164,342	41,346
TBAs	Other assets	2,271	—
		$ 166,613	$ 41,501
Derivative liabilities			
Interest Rate Swaps[A]	Accrued expenses and other liabilities	$ 256	$ —
Interest Rate Lock Commitments	Accrued expenses and other liabilities	397	1,455
Forward Loan Sale Commitments	Accrued expenses and other liabilities	—	27
TBAs	Accrued expenses and other liabilities	24,283	5,403
		$ 24,936	$ 6,885

(A) Net of $192.2 million and $171.8 million of related variation margin accounts as of June 30, 2020 and December 31, 2019, respectively.

The following table summarizes notional amounts related to derivatives:

	June 30, 2020	December 31, 2019
Interest Rate Caps[A]	$ 25,000	$ 12,500
Interest Rate Swaps[B]	9,070,000	4,900,000
Interest Rate Lock Commitments	7,455,739	4,043,935
Forward Loan Sale Commitments	—	43,654
TBAs, short position[C]	8,033,350	5,048,000
TBAs, long position[C]	—	11,692,212

(A) As of June 30, 2020, caps LIBOR at4.00% for $25.0 million of notional. The weighted average maturity of the interest rate caps as of June 30, 2020 was5 months.
(B) Includes $4.4 billion notional of Receive LIBOR/Pay Fixed of 2.96%and $4.7 billion notional of Receive Fixed of 0.80%/Pay LIBOR with weighted average maturities of 34 months and 33 months, respectively, as of June 30, 2020. Includes $4.0 billion notional of Receive LIBOR/Pay Fixed of 3.21% and $0.9 billion notional of Receive Fixed of 1.89%/Pay LIBOR with weighted average maturities of 36 months and 87 months, respectively, as of December 31, 2019.
(C) Represents the notional amount of Agency RMBS, classified as derivatives.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Change in fair value of derivative investments[A]				
Interest Rate Caps	$ —	$ —	$ —	$ (3)
Interest Rate Swaps	21,106	(40,666)	(18,876)	(69,199)
TBAs	—	—	—	2,776
	21,106	(40,666)	(18,876)	(66,426)
Gain (loss) on settlement of investments, net				
Interest Rate Swaps	(25,195)	(5,813)	(38,847)	(22,191)
TBAs[B]	—	(39,388)	(71,060)	(116,086)
	(25,195)	(45,201)	(109,907)	(138,277)
Gain on originated mortgage loans, held-for-sale, net[A]				
Interest Rate Lock Commitments	32,806	7,701	124,054	10,909
TBAs	121,935	(3,987)	(17,415)	(5,181)
Forward Loan Sale Commitments	—	223	27	202
	154,741	3,937	106,666	5,930
Total income (losses)	$ 150,652	$ (81,930)	$ (22,117)	$ (198,773)

(A) Represents unrealized gains (losses).
(B) Excludes $175.6 million and $221.9 million for the three and six months ended June 30, 2020, respectively, and $18.3 million and $29.7 million for the three and six months ended June 30, 2019, respectively, in loss on settlement included within gain on originated mortgage loans, held-for-sale, net (Note 8).

11. DEBT OBLIGATIONS

The following table presents certain information regarding New Residential's repurchase agreements and notes and bonds payable debt obligations:

	June 30, 2020									December 31, 2019
						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]	$ 3,897,468	$ 3,897,468	Jul-20 to Sep-20	0.25 %	0.1	$ 3,922,189	$ 4,055,565	$ 4,099,159	6.0	$ 15,481,677
Non-Agency RMBS[E]	1,934,744	1,932,624	Jul-20 to Sep-20	4.28 %	0.2	19,636,467	1,919,715	1,890,120	7.9	7,317,519
Residential Mortgage Loans[F]	3,283,186	3,277,727	Jul-20 to Jun-22	2.95 %	0.6	4,080,121	4,402,356	3,779,405	14.7	5,053,207
Real Estate Owned[G][H]	63,679	63,679	Jul-20 to Jun-22	2.37 %	0.6	N/A	N/A	81,887	N/A	63,822
Total Repurchase Agreements	9,179,077	9,171,498		2.08 %	0.3					27,916,225
Notes and Bonds Payable										
Excess MSRs[I]	294,802	294,802	Feb-22 to Jul-22	4.30 %	1.9	90,541,438	49,457	54,126	5.6	217,300
MSRs[J]	2,700,527	2,691,107	Dec-20 to Jul-24	3.66 %	1.3	399,336,160	4,254,897	4,189,180	5.7	2,640,036
Servicer Advance Investments[K]	442,002	442,002	Aug-20 to Apr-21	2.92 %	0.8	467,339	537,388	559,011	6.3	581,777
Servicer Advances[K]	2,460,854	2,452,931	Jul-20 to Aug-23	3.59 %	1.7	2,806,803	2,947,678	2,947,678	0.7	2,599,895
Residential Mortgage Loans[L]	285,588	281,898	Jul-20 to Dec-45	5.40 %	17.7	462,589	493,636	444,438	4.3	864,451
Consumer Loans[M]	713,594	716,722	May-36	3.26 %	3.6	712,877	717,877	761,456	3.7	816,689
Total Notes and Bonds Payable	6,897,367	6,879,462		3.65 %	2.4					7,720,148
Total/ Weighted Average	$ 16,076,444	$ 16,050,960		2.75 %	1.2					$ 35,636,373

(A) Net of deferred financing costs.
(B) All debt obligations with a stated maturity through July 31, 2020 were refinanced, extended or repaid.
(C) These repurchase agreements had approximately $30.3 million of associated accrued interest payable as of June 30, 2020.
(D) All Agency RMBS repurchase agreements have a fixed rate.
(E) All Non-Agency RMBS repurchase agreements have LIBOR-based floating interest rates. This also includes repurchase agreements and related collateral of $5.1 million and $10.0 million, respectively, on retained consumer loan bonds and of $508.1 million and $650.3 million, respectively, on retained bonds collateralized by Agency MSRs.
(F) Includes $283.0 million of repurchase agreements which bear interest at a fixed rate of 5.53%. All remaining repurchase agreements have LIBOR-based floating interest rates.
(G) All 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 $83.6 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 2.50% and $211.2 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 2.75%. 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 $1,474.0 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 ranging from 2.25% to 8.00%; $46.1 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 $1,180.4 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 MSR financing receivables that secure these notes.

(K) $1.9 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 1.85% to 2.75%. Collateral includes Servicer Advance Investments, as well as servicer advances receivable related to the mortgage servicing rights and MSR financing receivables owned by NRM.

(L) Represents (i) a $5.1 million note payable to Mr. Cooper which includes a $1.4 million receivable from government agency and bears interest equal to one-month LIBOR plus 2.88%, (ii) $92.0 million fair value of SAFT 2013-1 mortgage-backed securities issued with fixed interest rate of3.76% (see Note 12 for fair value details), (iii) $170.5 million of MDST Trusts asset-backed notes held by third parties which bear interest equal to6.61% (see Note 12 for fair value details), and (iv) $18.0 million of asset-backed notes held by third parties which include $0.9 million of REO and bear interest equal to the sum of (i) a floating rate index equal to one-month LIBOR and (ii) a margin of 1.25%.

(M) Includes the SpringCastle debt, which is composed of the following classes of asset-backed notes held by third parties: $634.5 million UPB of Class A notes with a coupon of 3.20% and a stated maturity date in May 2036, $70.4 million UPB of Class B notes with a coupon of3.58% and a stated maturity date in May 2036, and $8.7 million UPB of Class C notes with a coupon of 5.06% and a stated maturity date in May 2036.

As of June 30, 2020, New Residential hadno 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 $9.2 billion of repurchase agreements as of June 30, 2020. 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, 2019	$ 217,300	$ 2,640,036	$ 3,181,672	$ 22,799,196	$ 5,981,480	$ 816,689	$ 35,636,373
Repurchase Agreements:							
Borrowings	—	—	—	79,077,088	20,378,307	—	99,455,395
Repayments	—	—	—	(96,044,072)	(22,149,955)	—	(118,194,027)
Capitalized deferred financing costs, net of amortization	—	—	—	(2,120)	(3,975)	—	(6,095)
Notes and Bonds Payable:							
Borrowings	97,173	888,265	2,065,170	—	—	—	3,050,608
Repayments	(19,671)	(834,277)	(2,351,836)	—	(576,453)	(100,213)	(3,882,450)
Discount on borrowings, net of amortization	—	—	—	—	—	246	246
Unrealized loss on notes, fair value	—	—	—	—	(6,145)	—	(6,145)
Capitalized deferred financing costs, net of amortization	—	(2,917)	(73)	—	45	—	(2,945)
Balance at June 30, 2020	$ 294,802	$ 2,691,107	$ 2,894,933	$ 5,830,092	$ 3,623,304	$ 716,722	$ 16,050,960

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

Maturities

New Residential's debt obligations as of June 30, 2020 had contractual maturities as follows:

Year Ending	Nonrecourse	Recourse	Total
July 1 through December 31, 2020	$ 124,259	$ 9,294,111	$ 9,418,370
2021	1,579,934	1,587,088	3,167,022
2022	846,144	577,789	1,423,933
2023	400,000	942,225	1,342,225
2024	—	348,804	348,804
2025 and thereafter	976,090	—	976,090
	$ 3,926,427	$ 12,750,017	$ 16,676,444

Borrowing Capacity

The following table represents New Residential's borrowing capacity as of June 30, 2020:

Debt Obligations / Collateral	Borrowing Capacity	Balance Outstanding	Available Financing[(A)]
Repurchase Agreements			
Residential mortgage loans and REO	$ 5,698,258	$ 1,658,270	$ 4,039,988
New loan originations	4,035,000	1,688,596	2,346,404
Notes and Bonds Payable			
Excess MSRs	100,000	83,565	16,435
MSRs	1,608,000	1,520,089	87,911
Servicer advances	5,120,000	2,902,857	2,217,143
Residential mortgage loans	650,000	17,967	632,033
	$ 17,211,258	$ 7,871,344	$ 9,339,914

(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.

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 June 30, 2020.

2020 Term Loan

On May 19, 2020, the Company, as borrower, entered into a three-year senior secured term loan facility agreement (the "2020 Term Loan") in the principal amount of $600.0 million. The 2020 Term Loan is guaranteed by certain subsidiaries of the Company and secured by pledges of certain equity interests held by the Company and its subsidiaries. Borrowings under the 2020 Term Loan bear interest at a fixed annual rate of 11.0% and are repayable in quarterly installments of 0.25% of the outstanding principal amount beginning on March 31, 2021. The Company can prepay the 2020 Term Loan in whole or in part prior to maturity without an early termination penalty. The 2020 Term Loan was issued with an original issue discount of 1.0%, or $6.0 million of the principal amount. In addition, the Company incurred fees of approximately $9.0 million that were capitalized as debt financing costs. The original issue discount, along with the debt financing costs, are grouped and presented as part of the term loan, net of debt discounts and issuance costs on the Condensed Consolidated Balance Sheets.

In conjunction with the 2020 Term Loan, the Company issued common stock purchase warrants (the "2020 Warrants") to the lenders. The 2020 Warrants expire approximately three years after the issuance date. We recorded the value of the 2020 Term

Loan and 2020 Warrants on a relative fair value basis. The estimated fair value of the 2020 Warrants at the date of issuance was approximately $3.5 million and was recognized as a discount to the 2020 Term Loan. Refer to Note 14, Equity and Earnings Per Share, for further details.

The table below summarizes the net carrying amount of the 2020 Term Loan:

	June 30, 2020	December 31, 2019
Principal outstanding	$ 600,000	$ —
Less: Unamortized debt discount and issuance costs	(66,617)	—
Net carrying value	$ 533,383	$ —

The table below summarizes the interest expense on the 2020 Term Loan:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Coupon interest at 11.00%	$ 6,783	$ —	$ 6,783	$ —
Amortization of debt discounts and issuance costs	1,883	—	1,883	—
Total	$ 8,666	$ —	$ 8,666	$ —

The 2020 Term Loan contains certain customary affirmative and negative covenants and also requires the Company to maintain compliance with the following financial covenants:

- Tangible Book Value: maintenance of minimum tangible book value to not be less than the lesser of (i) $2.5 billion and (ii) the greater of (x) the amount that is 4.17 times the sum of (A) the aggregate outstanding principal amount of pari passu debt incurred plus (B) the outstanding principal amount of the 2020 Term Loan and (y) $2.0 billion; and

- Cash Liquidity: maintenance of minimum cash liquidity of no less than a weekly average balance of $125.0 million.

The Company was in compliance with all financial covenants as of June 30, 2020.

The 2020 Term Loan also includes a covenant that obligates the Company to deliver certain unaudited consolidated financial information for New Residential to the lenders within 30 days after each month end. The Company was in compliance with respect to this covenant as of June 30, 2020.

If the Company fails to meet or satisfy any of the covenants in accordance with the 2020 Term Loan and is unable to obtain a waiver or other suitable relief from the lenders, the Company would be in default and the Company's lenders could elect to declare outstanding amounts due and payable.

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 June 30, 2020 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)]	$ 81,666,625	$ 346,450	$ —	$ —	$ 346,450	$ 346,450
Excess mortgage servicing rights, equity method investees, at fair value[(A)]	31,923,937	112,473	—	—	112,473	112,473
Mortgage servicing rights, at fair value [(A)]	379,397,792	3,551,159	—	—	3,551,159	3,551,159
Mortgage servicing rights financing receivables, at fair value	114,453,487	1,469,927	—	—	1,469,927	1,469,927
Servicer advance investments, at fair value	467,339	559,011	—	—	559,011	559,011
Real estate and other securities	27,043,911	6,144,236	—	4,205,260	1,938,976	6,144,236
Residential mortgage loans, held-for-sale	853,934	694,830	—	—	701,610	701,610
Residential mortgage loans, held-for-sale, at fair value	2,921,615	2,824,909	—	1,719,899	1,105,010	2,824,909
Residential mortgage loans, held-for-investment, at fair value	830,117	750,332	—	—	750,332	750,332
Residential mortgage loans subject to repurchase	1,075,008	1,075,008	—	1,075,008	—	1,075,008
Consumer loans, held-for-investment, at fair value	718,385	766,462	—	—	766,462	766,462
Derivative assets	15,353,568	166,613	—	2,271	164,342	166,613
Note receivable	46,724	42,787	—	—	42,787	42,787
Cash and cash equivalents	1,013,208	1,013,208	1,013,208	—	—	1,013,208
Restricted cash	138,932	138,932	138,932	—	—	138,932
Other assets [(B)]	N/A	42,769	3,831	—	38,938	42,769
		$ 19,699,106	$ 1,155,971	$ 7,002,438	$ 11,547,477	$ 19,705,886
Liabilities						
Repurchase agreements	$ 9,179,077	$ 9,171,498	$ —	$ 9,179,077	$ —	$ 9,179,077
Notes and bonds payable [(C)]	6,897,367	6,879,462	—	—	6,238,923	6,238,923
2020 term loan	533,383	533,383	—	—	533,383	533,383
Residential mortgage loan repurchase liability	1,075,008	1,075,008	—	1,075,008	—	1,075,008
Derivative liabilities	9,230,520	24,936	—	24,539	397	24,936
Excess spread financing	2,655,595	22,059	—	—	22,059	22,059
Contingent consideration	N/A	13,274	—	—	13,274	13,274
		$ 17,719,620	$ —	$ 10,278,624	$ 6,808,036	$ 17,086,660

(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) Excludes the indirect equity investment in a commercial redevelopment project that is accounted for at fair value on a recurring basis based on the NAV of New Residential's investment. The investment had a fair value of $31.8 million as of June 30, 2020.

(C) Includes the SAFT 2013-1 and MDST Trusts mortgage backed securities issued for which the fair value option for financial instruments was elected and resulted in a fair value of $258.8 million as of June 30, 2020.

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]	MSR Financing Receivables[A]	Servicer Advance Investments	Non-Agency RMBS	Derivatives[C]	Residential Mortgage Loans	Consumer Loans	Total
	Agency	Non-Agency									
Balance at December 31, 2019	$ 209,633	$ 170,114	$ 125,596	$ 3,967,960	$ 1,718,273	$ 581,777	$ 7,957,785	$ 39,891	$ 3,998,825	$ —	$ 18,769,854
Transfers											
Transfers from Level 3	—	—	—	—	—	—	—	—	(480,318)	—	(480,318)
Transfers to Level 3	—	—	—	—	—	—	—	—	440,168	827,545	1,267,713
Shellpoint Acquisition	—	—	—			—	—	—	—	—	—
Transfers from investments in mortgage servicing rights financing receivables to investments in mortgage servicing rights	—	—	—			—	—	—	—	—	—
Gains (losses) included in net income											
Included in provision (reversal) for credit losses on securities[D]	—	—	—	—	—	—	(19,015)	—	—	—	(19,015)
Included in change in fair value of investments in excess mortgage servicing rights[D]	(6,518)	(4,591)	—	—	—	—	—	—	—	—	(11,109)
Included in change in fair value of investments in excess mortgage servicing rights, equity method investees[D]	—	—	(2,509)	—	—	—	—	—	—	—	(2,509)
Included in servicing revenue, net[E]	—	—	—	(1,100,541)	—	—	—	—	—	—	(1,100,541)
Included in change in fair value of investments in mortgage servicing rights financing receivables[D]	—	—	—	—	(225,631)	—	—	—	—	—	(225,631)
Included in change in fair value of servicer advance investments	—	—	—	—	—	(2,712)	—	—	—	—	(2,712)
Included in change in fair value of investments in residential mortgage loans	—	—	—	—	—	—	—	—	(165,246)	—	(165,246)
Included in gain (loss) on settlement of investments, net	11	1	—	—	—	—	(932,627)	—	—	—	(932,615)
Included in other income (loss), net[D]	1,042	148	—	—	—	—	(51,903)	124,054	(10,110)	(9,223)	54,008
Gains (losses) included in other comprehensive income[F]	—	—	—	—	—	—	(621,364)	—	(6,020)	36,472	(590,912)
Interest income	3,129	9,453	—	—	—	2,082	84,633	—	—	13,108	112,405
Purchases, sales and repayments											
Purchases	—	—	—	456,665	4,362	631,240	575,030	—	1,420,390	17,684	3,105,371
Proceeds from sales	(44)	(4)	—	(9,801)	(3,708)		(4,624,590)	—	(3,183,041)	—	(7,821,188)
Proceeds from repayments	(20,325)	(15,599)	(10,614)	(31,222)	(23,369)	(653,376)	(428,973)	—	(159,306)	(119,124)	(1,461,908)
Originations and other	—	—	—	268,098	—	—	—	—	—	—	268,098
Balance at June 30, 2020	$ 186,928	$ 159,522	$ 112,473	$ 3,551,159	$ 1,469,927	$ 559,011	$ 1,938,976	$ 163,945	$ 1,855,342	$ 766,462	$ 10,763,745

(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 a50% interest.
(C) For the purpose of this table, the IRLC asset and liability positions are shown net.
(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, 2019	$ 31,777	$ 659,738	$ 55,222	$ 746,737
Transfers				
Transfers from Level 3	—	—	(43,875)	(43,875)
Transfers to Level 3	—	—	—	—
Acquisition	—	—	—	—
Gains (losses) included in net income				
Included in provision (reversal) for credit losses on securities[A]	—	—	—	—
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[A]	—	—	—	—
Included in servicing revenue, net[B]	(10,133)	—	—	(10,133)
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 change in fair value of investments in residential mortgage loans	—	(6,145)	—	(6,145)
Included in gain (loss) on settlement of investments, net	—	—	—	—
Included in other income[A]	—	—	3,871	3,871
Gains (losses) included in other comprehensive income, net of tax[C]	—	—	—	—
Interest income	—	—	—	—
Purchases, sales and repayments				
Purchases	—	—	—	—
Proceeds from sales	—	—	—	—
Payments	—	(393,322)	(1,944)	(395,266)
Other	415	(1,465)	—	(1,050)
Balance at June 30, 2020	$ 22,059	$ 258,806	$ 13,274	$ 294,139

(A) The gains (losses) recorded in earnings during the period are attributable to the change in unrealized gains (losses) relating to Level 3 liabilities still held at the reporting dates and realized gains (losses) recorded during the period.
(B) The components of Servicing revenue, net are disclosed in Note 5.
(C) 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 ranges and weighted averages of inputs used as of June 30, 2020:

	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	7.0% - 10.6% (8.2%)	0.0% - 3.5% (1.4%)	6.5% - 35.8% (14.9%)	15 - 31 (21)	15 - 22 (19)
Recaptured Pools	7.4% - 12.1% (10.4%)	0.1% - 3.5% (0.8%)	0.0% - 39.1% (26.1%)	20 - 29 (23)	19 - 24 (23)
	7.0% - 12.1% (8.9%)	0.0% - 3.5% (1.2%)	0.0% - 39.1% (18.4%)	15 - 31 (22)	15 - 24 (20)
Non-Agency[G]					
Mr. Cooper and SLS Serviced:					
Original Pools	7.5% - 12.5% (9.0%)	N/A	0.0% - 14.1% (12.6%)	5 - 25 (15)	19 - 31 (23)
Recaptured Pools	5.9% - 6.9% (6.4%)	N/A	12.3% - 22.2% (16.9%)	23 - 27 (25)	21 - 24 (23)
	5.9% - 12.5% (8.6%)	N/A	0.0% - 22.2% (13.3%)	5 - 27 (16)	19 - 31 (23)
Total/Weighted Average—Excess MSRs Directly Held	5.9% - 12.5% (8.8%)	N/A	0.0% - 39.1% (16.0%)	5 - 31 (19)	15 - 31 (21)
Excess MSRs Held through Equity Method Investees (Note 4)					
Agency					
Original Pools	7.2% - 10.6% (8.4%)	1.0% - 2.8% (1.6%)	7.1% - 35.8% (14.3%)	15 - 25 (19)	18 - 19 (18)
Recaptured Pools	9.5% - 10.6% (9.9%)	0.6% - 1.4% (1.1%)	13.1% - 33.4% (17.9%)	22 - 28 (25)	21 - 23 (22)
Total/Weighted Average—Excess MSRs Held through Investees	8.4% - 10.2% (9.1%)	0.7% - 4.0% (1.3%)	13.7% - 29.3% (16.1%)	15 - 28 (22)	18 - 23 (20)
Total/Weighted Average—Excess MSRs All Pools	5.9% - 12.5% (8.9%)	N/A	0.0% - 39.1% (16.1%)	5 - 31 (20)	15 - 31 (21)
MSRs					
Agency[H]					
Mortgage Servicing Rights[I] [J]	8.1% - 22.4% (13.1%)	0.4% - 2.2% (1%)	3.4% - 34.7% (20.7%)	25 - 33 (28)	0 - 30 (22)
MSR Financing Receivables[I]	12.0% - 14.7% (13.9%)	0.6% - 1.1% (0.9%)	9.1% - 15.7% (13.1%)	25 - 29 (27)	0 - 30 (24)
	8.1% - 22.4% (13.2%)	0.4% - 2.2% (1.0%)	3.4% - 34.7% (19.8%)	25 - 33 (28)	0 - 30 (22)
Non-Agency					
Mortgage Servicing Rights[I]	9.9% - 16.1% (14.2%)	0.6% - 10.6% (3.8%)	4.2% - 31.0% (22.5%)	25 - 89 (45)	0 - 30 (26)
MSR Financing Receivables[I]	8.2%	14.4%	9.1%	48	0 - 30 (25)
	8.2% - 16.1% (8.3%)	0.6% - 14.4% (14.2%)	4.2% - 31.0% (9.3%)	25 - 89 (48)	0 - 30 (25)
Ginnie Mae					
Mortgage Servicing Rights[I] [J]	9.1% - 25.0% (20.3%)	1.3% - 8.3% (6.3%)	15.6% - 35.0% (23.0%)	32 - 53 (44)	0 - 30 (27)
Total/Weighted Average—MSRs	8.1% - 25.0% (13.0%)	0.4% - 14.4% (4.5%)	3.4% - 35.0% (20.0%)	25 - 89 (34)	0 - 30 (23)

(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 $6.2 - $8.3 ($7.0) per loan per month was used to value the agency MSRs, including MSR Financing Receivables. A weighted average cost of subservicing of $11.10 per loan per month was used to value the Non-Agency MSRs, including MSR Financing Receivables. A weighted average cost of subservicing of $ 8.80 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) Represents Fannie Mae and Freddie Mac MSRs.
(I) For certain pools, recapture rate represents the expected recapture rate with the successor subservicer appointed by NRM.
(J) Includes valuation of the related Excess spread financing (Note 5).

With respect to valuing the Ocwen-serviced MSR financing receivables, which include a significant servicer advances receivable component, the cost of financing servicer advances receivable is assumed to be LIBOR plus 2.1%.

As of June 30, 2020, a weighted average discount rate of8.3% (range 8.0% - 8.5%) was used to value New Residential's investments in Excess MSRs (directly and through equity method investees). As of June 30, 2020, a weighted average discount rate of 8.2% (range 7.8% - 13.5%) was used to value New Residential's investments in MSRs and a weighted average discount rate of 9.5% (range 7.9% - 10.0%) was used to value New Residential's investments in MSR financing receivables.

Servicer Advance Investments Valuation

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

	Significant Inputs						
	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]**
June 30, 2020	.8% - 1.5% (1.5%)	8.6% - 9.1% (9.1%)	7.4% - 9.0% (9.0%)	16.8 - 19.7 (19.7)	bps	5.3% - 5.8% (5.3%)	22.5 - 22.6 (22.5)

(A) Projected annual weighted average lifetime voluntary and involuntary prepayment rate using a prepayment vector.
(B) Mortgage servicing amount is net of 10.7 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 June 30, 2020, New Residential's securities valuation methodology and results are further detailed as follows:

Asset Type	Outstanding Face Amount	Amortized Cost Basis	Fair Value			
			Multiple Quotes[A]	Single Quote[B]	Total	Level
Agency RMBS	$ 4,023,936	$ 4,161,318	$ 4,205,260	$ —	$ 4,205,260	2
Non-Agency RMBS[C]	23,019,974	1,965,450	1,929,874	9,102	1,938,976	3
Total	$ 27,043,910	$ 6,126,768	$ 6,135,134	$ 9,102	$ 6,144,236	

(A) New Residential generally obtained pricing service quotations or broker quotations fromtwo 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 51.9% of New Residential's Non-Agency RMBS, the ranges and weighted averages 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	$ 1,005,951	1.55% to 15.00% (4.63%)	1.5% to 25% (14.29%)	0.15% to 6% (0.48%)	20% to 80% (35.54%)

(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.
(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, NewRez, 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 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 ranges and weighted averages of 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
Acquired Loans	$ 1,075,996	4.5% - 6.0% (4.8%)	0.0% - 15.0% (5.9%)	1.6% - 7.1% (6.8%)	28.7% - 100.0% (32.6%)
Originated Loans	29,014	6.0%	15.0%	1.6%	100.0%
Residential Mortgage Loans Held-for-Sale, at Fair Value	$ 1,105,010				

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 ranges and weighted averages of 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	$ 750,332	4.1% - 10.0% (7.5%)	2.0% - 20.0% (5.2%)	2.4% - 20.0% (2.9%)	20.0% - 43.1% (40.5%)

Consumer Loans Valuation

The following table summarizes certain information regarding the ranges and weighted averages of inputs used in valuing consumer loans held-for-investment, at fair value, classified as Level 3:

	Fair Value	Discount Rate	Prepayment Rate	CDR	Loss Severity
Consumer Loans, Held-for-Investment, at Fair Value	$ 766,462	8.5% - 10.7% (8.5%)	17.7% - 29.3% (17.8%)	5.6% - 17.7% (5.7%)	83.4% - 90.2% (83.4%)

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 (i) incorporating 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) adjusting 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 ranges and weighted averages of inputs used in valuing IRLCs:

	Fair Value	Loan Funding Probability	Fair Value of initial servicing rights (bps)
IRLCs (net)	$ 163,945	60% to 100% (81.14%)	0.58 to 237 (86.05)

Mortgage-Backed Securities Issued

New Residential and NewRez, a wholly owned subsidiary of New Residential, were deemed to be the primary beneficiaries of the MDST Trusts and SAFT 2013-1 securitization entity and therefore, New Residential's condensed consolidated balance sheets include the mortgage-backed securities issued by the MDST Trusts and SAFT 2013-1, respectively. 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 ranges and weighted averages of inputs used in valuing Mortgage-Backed Securities Issued:

	Fair Value	Discount Rate	Prepayment Rate	CDR	Loss Severity
		4.0% - 5.3%	3.2% - 15.0%	0.0% - 3.3%	10.0% - 40.0%
Mortgage-Backed Securities Issued	$ 258,806	(4.9%)	(7.2%)	(2.2%)	(29.8%)

Contingent Consideration Valuation

As additional consideration for the Guardian acquisition announced in August 2019, New Residential may make up tofour cash earnout payments, calculated as the amount of cumulative Guardian earnings on specified contracts in excess of certain thresholds up to an aggregate maximum amount of $17.5 million (the "Guardian Earnout Payments"), which will be calculated following the end of each calendar year with the final payment being calculated as of the fourth anniversary date of the Guardian closing. On April 10, 2020, New Residential made its first Guardian Earnout Payment of $1.9 million. As described above, 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 11% 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.

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 June 30, 2020, assets measured at fair value on a nonrecurring basis were $729.5 million. The $729.5 million of assets include approximately $687.1 million of residential mortgage loans held-for-sale and $42.4 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 June 30, 2020:

	Fair Value and Carrying Value	Discount Rate	Weighted Average Life (Years)[A]	Prepayment Rate	CDR[B]	Loss Severity[C]
Performing Loans	$ 190,427	4.5% - 9.5% (5.6%)	2.7 - 5.0 (4.1)	4.3% - 15.0% (7.5%)	1.6% - 16.2% (7.8%)	0.0% - 100.0% (36.9%)
Non-Performing Loans	496,680	4.5% - 7.9% (7.3%)	2.6 - 4.4 (3.3)	2.0% - 7.0% (2.1%)	2.9% - 6.6% (3.0%)	0.0% - 30.0% (29.4%)
Total/Weighted Average	$ 687,107	6.8%	3.8	3.6%	4.3%	31.5%

(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% - 25% (weighted average of 16%), 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 six months ended June 30, 2020 consisted of a valuation allowance of $92.7 million for residential mortgage loans and $1.4 million increased allowance for REO.

13. CONSOLIDATED VARIABLE INTEREST ENTITIES

VIEs are defined as entities in which equity investors do not have the characteristics of a controlling financial interest or do not have sufficient equity at risk for the entity to finance its activities without additional subordinated financial support from other parties. A VIE is required to be consolidated only by its primary beneficiary, which is defined as the party who has the power to direct the activities of a VIE that most significantly impact its economic performance and who has the obligation to absorb losses or the right to receive benefits from the VIE that could be potentially significant to the VIE.

To assess whether New Residential has the power to direct the activities of a VIE that most significantly impact the VIE's economic performance, New Residential considers all the facts and circumstances, including its role in establishing the VIE and its ongoing rights and responsibilities. This assessment includes, first, identifying the activities that most significantly impact the VIE's economic performance; and second, identifying which party, if any, has power over those activities. To assess whether New Residential has the obligation to absorb losses of the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE, New Residential considers all of its economic interests and applies judgment in determining whether these interests, in the aggregate, are considered potentially significant to the VIE.

Servicer Advance Investment

New Residential, through a taxable wholly owned subsidiary, is the managing member of the Buyer and owned approximately 73.2% of the Buyer as of June 30, 2020. In 2013, New Residential created the Buyer to acquire the then outstanding servicing advance receivables related to a portfolio of residential mortgage loans from a third party. The Buyer is required to purchase all future servicer advances made with respect to this portfolio of mortgage loans and is entitled to receive cash flows from advance recoveries and a basic fee component of the related MSRs, net of subservicing compensation paid.

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 June 30, 2020, the noncontrolling third-party co-investors and New Residential had previously funded their commitments, however the Buyer may recall $328.4 million and

$306.9 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.

Shelter Joint Ventures

A wholly owned subsidiary of NewRez, Shelter Mortgage Company LLC ("Shelter") is a mortgage originator specializing in retail originations. Shelter operates its business through a series of joint ventures ("Shelter JVs") and is 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.

Residential Mortgage Loans

On October 1, 2019, as a result of New Residential's acquisition of servicing assets from the bankruptcy estate of Ditech Holding Company and Ditech Financial LLC ("Ditech") and its pre-existing ownership of the equity, New Residential consolidated the MDST Trusts. New Residential's determination to consolidate the MDST Trusts is a result of its ownership of the equity in these trusts in conjunction with the ability to direct activities that most significantly impact the economic performance of the entities with the acquisition of the servicing by NewRez.
NewRez 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 subordinated retained interests. The following table is comprised of bonds retained pursuant to required risk retention regulations that are recognized as true sales under GAAP including SAFT 2013-1:

	Six Months Ended June 30,	
	2020	**2019**
Residential mortgage loan UPB	$ 14,779,498	$ 9,881,506
Weighted average delinquency[(A)]	3.15 %	1.95 %
Net credit losses	$ 28,874	$ 6,687
Face amount of debt held by third parties[(B)]	$ 12,817,104	$ 8,896,238
Carrying value of bonds retained by New Residential[(C) (D)]	$ 1,692,841	$ 1,154,989
Cash flows received by New Residential on these bonds	$ 151,852	$ 126,787

(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.
(D) Classified within Level 3 of the fair value hierarchy as the valuation is based on certain unobservable inputs including discount rate, prepayment rates and loss severity. See Note 12 for details on unobservable inputs.

Consumer Loan Companies

New Residential has a co-investment in a portfolio of consumer loans held through the Consumer Loan Companies. As of June 30, 2020, New Residential owns 53.5% of the limited liability company interests in, and consolidates, the Consumer Loan Companies.

The Consumer Loan Companies consolidate certain entities that issued securitization 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 table below presents the carrying value and classification of the assets and liabilities of consolidated VIEs on New Residential's consolidated balance sheets:

	The Buyer	Shelter Joint Ventures	Residential Mortgage Loans	Consumer Loan SPVs	Total
June 30, 2020					
Assets					
Servicer advance investments, at fair value	$ 544,204	$ —	$ —	$ —	$ 544,204
Residential mortgage loans, held-for-investment, at fair value	—	—	417,560	—	417,560
Consumer loans, held-for-investment, at fair value	—	—	—	761,525	761,525
Cash and cash equivalents	36,878	28,783	—	—	65,661
Restricted cash	5,331	—	—	8,565	13,896
Other assets	6	8,501	350	10,809	19,666
Total Assets	$ 586,419	$ 37,284	$ 417,910	$ 780,899	$ 1,822,512
Liabilities					
Notes and bonds payable[(A)]	$ 433,635	$ —	$ 258,807	$ 720,690	$ 1,413,132
Accrued expenses and other liabilities	2,104	6,229	—	4,008	12,341
Total Liabilities	$ 435,739	$ 6,229	$ 258,807	$ 724,698	$ 1,425,473
December 31, 2019					
Assets					
Servicer advance investments, at fair value	$ 565,271	$ —	$ —	$ —	$ 565,271
Residential mortgage loans, held-for-investment, at fair value	—	—	913,030	—	913,030
Consumer loans, held-for-investment	—	—	—	818,943	818,943
Cash and cash equivalents	30,065	23,802	—	—	53,867
Restricted cash	5,350	—	—	9,073	14,423
Other assets	2,414	3,556	—	12,409	18,379
Total Assets	$ 603,100	$ 27,358	$ 913,030	$ 840,425	$ 2,383,913
Liabilities					
Notes and bonds payable[(A)]	$ 433,300	$ —	$ 659,738	$ 820,658	$ 1,913,696
Accrued expenses and other liabilities	1,593	4,187	10,132	4,126	20,038
Total Liabilities	$ 434,893	$ 4,187	$ 669,870	$ 824,784	$ 1,933,734

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

Noncontrolling Interests

Noncontrolling interests represent the ownership interests in certain consolidated subsidiaries held by entities or persons other than New Residential. These interests are related to noncontrolling interests in consolidated entities that hold New Residential's Servicer Advance Investments (Note 6), the Shelter JVs, (Note 8), Residential Mortgage Loan trusts (Note 8), and Consumer Loans (Note 9).

Others' interests in the equity of New Residential's consolidated subsidiaries is computed as follows:

	June 30, 2020			December 31, 2019		
	The Buyer[(A)]	Shelter Joint Ventures	Consumer Loan Companies	The Buyer[(A)]	Shelter Joint Ventures	Consumer Loan Companies
Total consolidated equity	$ 150,680	$ 31,055	$ 87,343	$ 168,207	$ 23,171	$ 46,510
Others' ownership interest	26.8 %	48.9 %	46.5 %	26.8 %	49.0 %	46.5 %
Others' interest in equity of consolidated subsidiary	$ 40,333	$ 15,186	$ 41,162	$ 45,025	$ 11,354	$ 22,171

Others' interests in the New Residential's net income (loss) is computed as follows:

	Three Months Ended June 30,					
	2020			2019		
	The Buyer[A]	Shelter Joint Ventures	Consumer Loan Companies	The Buyer[A]	Shelter Joint Ventures	Consumer Loan Companies
Net income	$ 32,092	$ 9,037	$ 55,119	$ 1,235	$ 3,182	$ 10,859
Others' ownership interest as a percent of total	26.8 %	48.9 %	46.5 %	26.8 %	49.0 %	46.5 %
Others' interest in net income of consolidated subsidiaries	$ 8,591	$ 4,419	$ 25,630	$ 331	$ 1,543	$ 5,049

(A) As a result, New Residential owned 73.2% and 73.2% of the Buyer, on average during the three months ended June 30, 2020 and 2019, respectively. See Note 11 regarding the financing of Servicer Advance Investments.

	Six Months Ended June 30,					
	2020			2019		
	The Buyer[A]	Shelter Joint Ventures	Consumer Loan Companies	The Buyer[A]	Shelter Joint Ventures	Consumer Loan Companies
Net income	$ (9,923)	$ 11,660	$ 41,789	$ 10,390	$ 3,980	$ 26,900
Others' ownership interest as a percent of total	26.8 %	48.9 %	46.5 %	26.8 %	49.0 %	46.5 %
Others' interest in net income of consolidated subsidiaries	$ (2,656)	$ 5,702	$ 19,432	$ 2,782	$ 1,950	$ 12,509

(A) As a result, New Residential owned 73.2% and 73.2% of the Buyer, on average during the six months ended June 30, 2020 and 2019, respectively. See Note 11 regarding the financing of Servicer Advance Investments.

14. EQUITY AND EARNINGS PER SHARE

Equity and Dividends

In February 2019, New Residential issued 46.0 million shares of its common stock in a public offering at a price to the public of $16.50 per share for net proceeds of approximately $751.7 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 4.6 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 2.40% risk-free rate, a 9.30% dividend yield, 19.26% 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"). On August 1, 2019, the Distribution Agreement was amended to, among other things, (i) add additional sales agents under the ATM Program, and (ii) restore the aggregate offering price under the ATM Program to the original amount of $500.0 million.

The following table summarizes the Company's ATM Program activity:

Quarter Ended	Number of Common shares	Average price per share	Gross Proceeds	Fees	Net Proceeds
March 31, 2020[A]	97,394	$ 17.06	$ 1,662	$ 12	$ 1,650
June 30, 2020	—	$ —	$ —	$ —	$ —

(A) In connection with the shares sold under the ATM program, New Residential granted options to the Manager relating to 0.01 million shares of New Residential's common stock at the offering price, which had fair value of approximately $0.2 million as of the grant date.

On July 2, 2019, in a public offering, New Residential issued 6.2 million shares of its 7.50% Series A Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock ("Preferred Series A"), par value $0.01 per share, with a liquidation preference of $25.00 per share for net proceeds of approximately $150.0 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 0.6 million shares of New Residential's common stock at the closing price per share of common stock on the pricing date, which had a fair value of approximately $0.5 million as of the grant date. The assumptions used in valuing the options were: a 1.91% risk-free rate, a 9.73% dividend yield, 17.95% volatility and 10-year term.

On August 15, 2019, in a public offering, New Residential issued 11.3 million shares of its 7.125% Series B Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock ("Preferred Series B"), par value $0.01 per share, with a liquidation preference of $25.00 per share for net proceeds of approximately $273.4 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 1.1 million shares of New Residential's common stock at the closing price per share of common stock on the pricing date, which had a fair value of approximately $0.7 million as of the grant date. The assumptions used in valuing the options were: a 1.56% risk-free rate, a 11.20% dividend yield, 18.23% volatility and a 10-year term.

On February 14, 2020, in a public offering, New Residential issued 16.1 million of its 6.375% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock ("Preferred Series C"), par value $0.01 per share, with a liquidation preference of $25.00 per share for net proceeds of approximately $389.5 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 1.6 million shares of New Residential's common stock at the closing price per share of common stock on the pricing date, which had a fair value of approximately $1.0 million as of the grant date. The assumptions used in valuing the options were: a 1.55% risk-free rate, a 9.00% dividend yield, 17.39% volatility and a 10-year term.

The table below summarizes Preferred Shares:

					Dividends Declared per Share	
Series	**Number of Shares**	**Liquidation Preference**	**Issuance Discount**	**Carrying Value**	**Three Months Ended June 30, 2020**	**Six Months Ended June 30, 2020**
Fixed-to-floating rate cumulative redeemable preferred:						
Preferred Series A, 7.50% Issued July 2019	6,210	$ 155,250	3.15 %	$ 150,026	$ 0.47	$ 0.94
Preferred Series B, 7.125% Issued August 2019	11,300	282,500	3.15 %	273,418	$ 0.45	$ 0.89
Preferred Series C, 6.375% Issued February 2020	16,100	402,500	3.15 %	389,548	$ 0.40	$ 0.80
Total	33,610	$ 840,250		$ 812,992		

On June 22, 2020, New Residential's board of directors declared second quarter 2020 preferred dividends of $0.47 per share of Preferred Series A, $0.45 per share of Preferred Series B, and $0.40 of Preferred Series C or $2.9 million, $5.1 million, and $6.4 million respectively.

Common dividends have been declared as follows:

		Per Share	
Declaration Date	**Payment Date**	**Quarterly Dividend**	**Total Amounts Distributed (millions)**
March 31, 2020	April 2020	$ 0.05	$ 20.8
June 22, 2020	July 2020	$ 0.10	$ —

Approximately 2.4 million shares of New Residential's common stock were held by Fortress, through its affiliates, at June 30, 2020.

On August 20, 2019, New Residential announced that its board of directors had authorized the repurchase of up to $200.0 million of its common stock through December 31, 2020. Repurchases may be made from time to time through open market purchases or privately negotiated transactions, pursuant to one or more plans established pursuant to Rule 10b5-1 under the Securities Exchange Act of 1934 or by means of one or more tender offers, in each case, as permitted by securities laws and other legal requirements. The amount and timing of the purchases will depend on a number of factors including the price and availability of New Residential's shares, trading volume, capital availability, New Residential's performance and general economic and market conditions. No share repurchases have been made as of the date of issuance of these condensed consolidated financial statements. The share repurchase program may be suspended or discontinued at any time.

Common Stock Purchase Warrants

As discussed in Note 11, Debt Obligations, on May 19, 2020 and May 27, 2020 (collectively, the "Issuance Date"), in conjunction with the 2020 Term Loan, the Company issued the 2020 Warrants providing the lenders with the right to acquire, subject to anti-dilution adjustments, up to 43.4 million shares of the Company's common stock in the aggregate. The 2020 Warrants are exercisable in cash or on a cashless basis and expire on May 19, 2023 and are exercisable, in whole or in part, at any time or from time to time after September 19, 2020 at the following prices: approximately 24.6 million shares of common stock at $6.11 per share and approximately 18.9 million shares of common stock at $7.94 per share.

The Company recorded the value of the 2020 Term Loan and 2020 Warrants on a relative fair value basis. The 2020 Warrants were valued using a Black-Scholes option valuation model that resulted in a fair value of approximately $53.5 million on the Issuance Date and is not subject to subsequent remeasurement. The Company used the following assumptions in the application of the Black-Scholes option valuation model: an exercise price ranging between $6.11 and $7.94, a term of 3.0 years, a risk-free interest rate of 0.24%, and volatility of 35%. The 2020 Warrants met the definition of derivatives under the guidance in ASC Topic 815, *Derivatives and Hedging*; however, because these instruments are determined to be indexed to the Company's own stock and met the criteria for equity classification under ASC Topic 815, the 2020 Warrants are accounted for as an equity transaction and recorded in Additional paid-in-capital. The 2020 Warrants have a dilutive effect on net income per share to the extent that the market value per share of the Company's common stock at the time of exercise exceeds the strike price of the 2020 Warrants.

The table below summarizes the 2020 Warrants at June 30, 2020:

	Number of Warrants (in millions)	Weighted Average Exercise Price (per share)
December 31, 2019 outstanding warrants	—	$ —
Granted	43.4	6.91
Exercised	—	—
Expired	—	—
June 30, 2020 outstanding warrants	43.4	$ 6.91

Option Plan

As of June 30, 2020, New Residential's outstanding options were summarized as follows:

Held by the Manager	10,860,706
Issued to the Manager and subsequently assigned to certain of the Manager's employees	3,560,949
Issued to the independent directors	7,000
Total	14,428,655

The following table summarizes New Residential's outstanding options as of June 30, 2020. The last sales price on the New York Stock Exchange for New Residential's common stock in the quarter ended June 30, 2020 was $7.43 per share.

Recipient	Date of Grant/ Exercise[A]	Number of Unexercised Options	Options Exercisable as of June 30, 2020	Weighted Average Exercise Price[B]	Intrinsic Value of Exercisable Options as of June 30, 2020 (millions)
Directors	Various	7,000	7,000	$ 13.57	$ —
Manager[C]	2017	1,130,916	1,130,916	13.95	—
Manager[C]	2018	5,320,000	4,156,548	16.66	—
Manager[C]	2019	6,351,000	3,057,700	16.15	—
Manager[C]	2020	1,619,739	215,965	17.41	—
Outstanding		14,428,655	8,568,129		

(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 2018 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
2017	$13.95	1,130,916
2018	$16.54 to $18.01	1,159,833
2019	$15.13 to $16.67	1,270,200
Total		3,560,949

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

	Amount	Weighted Average Exercise Price
December 31, 2019 outstanding options	12,808,916	
Options granted	1,619,739	$ 17.41
Options exercised	—	—
Options expired unexercised	—	—
June 30, 2020 outstanding options	14,428,655	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.

The following table summarizes the basic and diluted earnings per share calculations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Net income (loss)	$ 44,129	$ (25,020)	$ (1,563,126)	$ 130,892
Noncontrolling interests in income of consolidated subsidiaries	38,640	6,923	22,478	17,241
Dividends on preferred stock	14,357	—	25,579	—
Net income (loss) attributable to common stockholders	$ (8,868)	$ (31,943)	$ (1,611,183)	$ 113,651
Basic weighted average shares of common stock outstanding	415,661,782	415,463,757	415,625,468	401,946,938
Dilutive effect of stock options(A)	—	—	—	292,500
Dilutive effect of common stock purchase warrants(A)	—	—	—	—
Diluted weighted average shares of common stock outstanding	415,661,782	415,463,757	415,625,468	402,239,438
Basic earnings per share attributable to common stockholders	$ (0.02)	$ (0.08)	$ (3.88)	$ 0.28
Diluted earnings per share attributable to common stockholders	$ (0.02)	$ (0.08)	$ (3.88)	$ 0.28

(A) Stock options and common stock purchase warrants that could potentially dilute basic earnings per share in the future were not included in the computation of diluted earnings per share for the periods where a loss has been recorded because they would have been anti-dilutive for the period presented.

The Company excluded the following weighted-average potential common shares from the calculation of diluted net income (loss) per share during the applicable periods because their inclusion would have been anti-dilutive:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Stock options	—	201,703	—	—
Common stock purchase warrants	641,708	—	3,419,938	—

Noncontrolling Interests

Noncontrolling interests is composed 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).

15. 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 June 30, 2020, 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 19 for additional capital commitments entered into subsequent to June 30, 2020, if any):

MSRs and Servicer Advance Investments — 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 subsidiaries, NRM and NewRez, are generally obligated to fund future servicer advances related to the loans they are 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. Notes 5 and 6 for discussion on New Residential's Investments in MSRs and Servicer Advance Investments.

Mortgage Origination Reserves — NewRez, a wholly owned subsidiary of New Residential, currently originates, or has in the past originated, 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 NewRez generally retains the right to service the underlying residential mortgage loans. In connection with the transfer of loans to the GSEs or mortgage investors, NewRez 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, NewRez generally has an obligation to cure the breach. If NewRez is unable to cure the breach, the purchaser may require NewRez to repurchase the loan.

In addition, as the issuer of Ginnie Mae guaranteed securitizations, NewRez holds the right to repurchase loans that are at least 90 days' delinquent from the securitizations at its discretion. While NewRez is not obligated to repurchase the delinquent loans, NewRez generally exercises its option to repurchase loans that will result in an economic benefit. As of June 30, 2020, New Residential's estimated liability associated with representations and warranties and Ginnie Mae repurchases was $ 11.6 million and $1.1 billion, respectively. See Notes 5 and 8 for information on NewRez's right to repurchase delinquent loans from Ginnie Mae securities and mortgage origination, respectively.

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 $266.0 million of unfunded and available revolving credit privileges as of June 30, 2020. 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 $37.3 million.

Environmental Costs — As a residential real estate owner, New Residential is subject to potential environmental costs. At June 30, 2020, 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 — Certain of the Company's debt obligations are subject to 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. Refer to Note 11.

Certain Tax-Related Covenants — If New Residential is treated as a successor to Drive Shack Inc. ("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.

16. 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, 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 preferred and common 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.

In March 2020, the Company and certain of its subsidiaries sold (collectively, the "Sale") through a broker-dealer tosix purchasers (collectively, "the Purchasers") of a portfolio consisting of non-agency residential mortgage-backed securities with an aggregate face value of approximately $6.1 billion (the "Securities"). The Sale generated proceeds of approximately $3.3 billion in the aggregate, excluding any unpaid but accrued interest. The Purchasers included an entity affiliated with funds managed by an affiliate of the Manager (the "Fortress Purchaser"), which purchased approximately $1.85 billion of Securities in aggregate face value for approximately $1.0 billion. In connection with the sale of the Securities to the Fortress Purchaser, the Company agreed to exercise certain rights, including call rights, that the Company holds under the securitization transactions with respect to the Securities sold to the Fortress Purchaser solely upon written direction by the Fortress Purchaser. Such rights include the rights, if any, to (i) amend and/or terminate the transactions contemplated by certain related residential mortgage servicing agreements, securitization trust agreements, pooling and servicing agreements or other agreements, (ii) acquire certain of the related residential mortgage loans, real estate owned and certain other assets in the trust subject to such residential mortgage servicing agreements, securitization trust agreements, pooling and servicing agreements or other agreements in connection with such amendment or termination against delivery of the applicable termination payment, and (iii) if applicable, direct certain related servicers, holders of subordinate securities and/or other applicable parties, to exercise the rights in (i) and (ii). Pursuant to such agreement, the Company and the Fortress Purchaser would share equally in any profits or losses arising from the exercise of any such rights, other than if the Company elects not to participate in the related transaction, in which case the Fortress Purchaser would realize all of the profits and bear all of the losses with respect thereto.

On May 19, 2020, the Company entered into athree-year senior secured term loan facility agreement in the principal amount of $600.0 million and also issued common stock purchase warrants providing the lenders with the right to acquire up to 43.4 million shares of the Company's common stock, par value $0.01 per share. Approximately 48% of the lenders and recipients of the warrants are funds managed by an affiliate of the Manager. See Notes 11 and 14 to our Condensed Consolidated Financial Statements for further details.

Due to affiliates is composed of the following amounts:

	June 30, 2020	December 31, 2019
Management fees	$ 14,991	$ 7,076
Incentive compensation	—	91,892
Expense reimbursements and other	1,903	4,914
Total	$ 16,894	$ 103,882

Affiliate expenses and fees were composed of:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Management fees	$ 22,479	$ 19,623	$ 44,200	$ 37,583
Incentive compensation	—	—	—	12,958
Expense reimbursements[(A)]	125	125	250	250
Total	$ 22,604	$ 19,748	$ 44,450	$ 50,791

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

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

See Note 14 regarding options granted to the Manager.

17. 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 June 30,		Six Months Ended June 30,	
Accumulated Other Comprehensive Income Components	Statement of Income Location	2020	2019	2020	2019
Reclassification of net realized (gain) loss on securities into earnings	Gain (loss) on settlement of investments, net	$ (6,669)	$ (41,023)	$ (761,209)	$ (106,219)
Reclassification of net realized (gain) loss on securities into earnings	Provision (reversal) for credit losses on securities	(25,134)	8,859	19,015	16,375
Total reclassifications		$ (31,803)	$ (32,164)	$ (742,194)	$ (89,844)

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.

18. INCOME TAXES

Income tax expense (benefit) consists of the following:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Current:				
Federal	$ (7,877)	$ —	$ (7,877)	$ (413)
State and Local	9	22	58	101
Total Current Income Tax Expense (Benefit)	(7,868)	22	(7,819)	(312)
Deferred:				
Federal	20,304	(16,999)	(107,221)	20,147
State and Local	4,973	(4,600)	(34,419)	4,585
Total Deferred Income Tax Expense (Benefit)	25,277	(21,599)	(141,640)	24,732
Total Income Tax (Benefit) Expense	$ 17,409	$ (21,577)	$ (149,459)	$ 24,420

New Residential intends to qualify as a REIT for each of its tax years through December 31, 2020. 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 asset of approximately $148.7 million as of June 30, 2020, primarily related to unrealized losses and net operating loss carry forwards.

On March 27, 2020, the CARES Act was signed into law. The CARES Act provides economic relief to eligible businesses and individuals impacted by the COVID-19 pandemic and includes numerous tax provisions, such as the ability to carryback net operating losses to prior tax years. Pursuant to this new legislation, the Company filed a claim to carryback $23 million of net operating losses, resulting in a net tax benefit of $3 million. The Company is continuing to monitor and evaluate the impact of the CARES Act and other COVID-19-related legislation.

19. SUBSEQUENT EVENTS

These financial statements include a discussion of material events that have occurred subsequent to June 30, 2020 through the issuance of these condensed consolidated financial statements. Events subsequent to that date have not been considered in these financial statements.

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, and with "Risk Factors."

GENERAL

New Residential is a publicly traded REIT primarily focused on opportunistically investing in, and actively managing, investments related to the residential real estate market. We seek to generate long-term value for our investors by using our investment expertise to identify and invest primarily in mortgage related assets, including operating companies, that offer attractive risk-adjusted returns. Our investment strategy also involves opportunistically pursuing acquisitions and seeking to establish strategic partnerships that we believe enable us to maximize the value of the mortgage loans we originate and service by offering products and services to customers, servicers, and other parties through the lifecycle of transactions that affect each mortgage loan and underlying residential property. For more information about our investment guidelines, see "Item 1. Business — Investment Guidelines" of our annual report on Form 10-K for the year ended December 31, 2019.

As of June 30, 2020, we had $24 billion in total assets and 4,595 employees within our operating entities.

We have elected to be treated as a REIT for U.S. federal income tax purposes. New Residential became a publicly-traded entity on May 15, 2013.

OUR MANAGER

We are externally managed by an affiliate of Fortress Investment Group LLC and benefit from the resources of this highly diversified global investment manager.

On December 27, 2017, SoftBank Group Corp. ("SoftBank") acquired Fortress (the "SoftBank Merger") and Fortress operates within SoftBank as an independent business headquartered in New York.

MARKET CONSIDERATIONS

Beginning in the first quarter of 2020 and continuing into the second quarter, financial and mortgage-related asset markets experienced significant volatility as a result of the ongoing COVID-19 pandemic. While volatility generally subsided in May and June of 2020, it may return and continue throughout 2020 due to the uncertainty relating to the duration and ongoing impact of the pandemic, including efforts to "reopen" the U.S. economy. The significant dislocation in the financial markets caused, among other things, credit spread widening, a sharp decrease in interest rates, higher unemployment levels, unprecedented illiquidity in repurchase agreement financing, and declines in the fair value of many of our investments. These conditions continue to put pressure on the mortgage REIT industry, including financing operations, asset pricing and liquidity demands.

The results of our business operations are affected by a number of factors, many of which are beyond our control, and primarily depend on, among other things, the level of our net interest income, the market value of our assets, which is driven by numerous factors, including the supply and demand for mortgage, housing and credit assets in the marketplace, the ability of borrowers of loans that underlie our investments to meet their payment obligations, the terms and availability of adequate financing and capital, general economic and real estate conditions, the impact of government actions in the real estate, mortgage, credit and financial markets, and the credit performance of our credit sensitive assets.

The market conditions discussed below significantly influence our investment strategy and results, many of which have been significantly impacted since mid-March 2020 by the ongoing COVID-19 pandemic.

Global and U.S. equity markets experienced the steepest decline since the 2008 recession during the first quarter of 2020, driven by the response to the COVID-19 pandemic. As a result of stay-at-home or shelter-in-place orders issued by state and local governments throughout the country, many businesses switched to remote work or canceled or reduced operations. Consumers responded by reducing or redirecting their spending. As summarized in the table below, the latest U.S. economic data shows that the U.S. economy contracted with U.S. gross domestic product ("GDP") decreasing during the first quarter of 2020.

	Three Months Ended	
	March 31, 2020	December 31, 2019
	(Percent change from the preceding quarter)	
Real GDP	(5.0)%	2.1 %

The U.S. labor market remained strong through February before declining as many businesses began responding to the stay-at-home orders by laying off employees. As summarized in the table below, according to the U.S. Department of Labor, the U.S. unemployment rate increased during the first half of 2020.

	June 30, 2020	March 31, 2020	December 31, 2019
Unemployment rate	11.10 %	4.40 %	3.50 %

The residential real estate market displayed signals of modest growth into the first quarter of 2020. We believe the housing market will remain favorable through 2020 and 2021. According to the June 2020 Freddie Mac Economic and Housing Market Outlook, total originations are forecasted to be $2,916 billion and $2,524 billion, respectively. The 2020 refinance market is forecasted to be $1,872 billion, or 64% of total forecasted originations, with a shift to the purchase market forecast for 2021, reducing the refinance market to $1,279 billion, or 51%. As summarized in the table below, the latest data released by the S&P Dow Jones Indices for their S&P CoreLogic Case-Shiller Home Price Indices showed home price increases in 2020.

	March 31, 2020	December 31, 2019
	(Percent change from the preceding month)	
Change in annual home price	3.50 %	2.50 %

As summarized in the table below, the 10-year Treasury rate and the 30-year fixed mortgage rates decreased during the first half of 2020.

	June 30, 2020	March 31, 2020	December 31, 2019
10-year U.S. Treasury rate	0.66 %	0.70 %	1.92 %
30-year fixed mortgage rate	3.16 %	3.45 %	3.72 %

During the first half of 2020, the Federal Reserve took a number of actions to stabilize markets and mitigate the negative impact of the COVID-19 pandemic. On March 15, 2020, the Federal Reserve announced a $700 billion asset purchase program to provide liquidity to the U.S. Treasury and Agency RMBS markets. Specifically, the Federal Reserve announced that it would purchase at least $500 billion of U.S. Treasuries and at least $200 billion of Agency RMBS. The Federal Reserve also lowered the federal funds rate by 100 basis points to a range of 0.0% - 0.25%, after having already lowered the federal funds rate by 50 basis points on March 3, 2020. The markets for U.S. Treasuries, mortgage-backed securities and other mortgage and fixed income markets continued to deteriorate following this announcement as investors liquidated investments in response to the economic crisis. Many of these markets experienced severe dislocations during the second half of March, which resulted in forced selling of assets to satisfy margin calls. To address these issues in the fixed income and funding markets, on March 23, 2020, the Federal Reserve announced a program to acquire U.S. Treasuries and Agency RMBS in the amounts needed to support a smooth functioning market. Since then, the Federal Reserve and the Federal Housing Finance Agency ("FHFA") have taken various other steps to support certain other fixed income markets, to support mortgage servicers and to implement various portions of the CARES Act. The FHFA announced in April 2020 that the GSEs would limit mortgage servicers' servicer advance obligations on GSE loans in forbearance to a period of four months, in addition to other policies announced by FHFA and HUD designed to mitigate liquidity risk for mortgage servicers and provide temporary relief and protections for homeowners facing financial hardship due to the COVID-19 pandemic. In addition, governors of several states have issued executive orders, and certain state legislatures have enacted laws, prohibiting evictions and foreclosures for specified periods of time. Many courts have enacted emergency rules delaying hearings related to evictions or foreclosures. The scope and nature of the actions the Federal Reserve and other governmental authorities will ultimately undertake are unknown due to, among other factors, the COVID-19 pandemic and the upcoming presidential and Congressional elections in the United States. There can be

no assurance as to how, in the long term, these and other actions, as well as the negative impacts from the ongoing COVID-19 pandemic, will affect the efficiency, liquidity and stability of the financial, credit and mortgage markets, and thus, our business.

We believe the estimates and assumptions underlying our consolidated financial statements are reasonable and supportable based on the information available as of June 30, 2020; however, uncertainty over the ultimate impact COVID-19 will have on the global economy generally, and our business in particular, makes any estimates and assumptions as of June 30, 2020 inherently less certain than they would be absent the current and potential impacts of COVID-19. Actual results may materially differ from those estimates. The COVID-19 pandemic and its impact on the current financial, economic and capital markets environment, and future developments in these and other areas present uncertainty and risk with respect to our financial condition, results of operations, liquidity and ability to pay distributions.

SERVICING

The CARES Act allows borrowers with federally backed mortgage loans who are affected by COVID-19 to request temporary loan forbearance. Servicers must provide such forbearance for up to 180 days if requested by the borrower. Borrowers may request additional forbearance period of up to 180 days. During any period of forbearance granted pursuant to the CARES Act, servicers are also required to provide other relief to borrowers, including, but not limited to, suspending late fees and ceasing foreclosure and eviction activity.

Generally, borrowers will be required to repay their forborne mortgage payments after the forbearance period ends, unless an alternate loss mitigation solution is reached, which may include extensions of forbearance, repayment plans, payment deferrals, and loan modifications, depending on the borrower's situation, account status, and applicable investor guidelines.

Loan forbearances may continue to rise in the near term in response to the increasing unemployment rate. Additionally, the continued economic downturn may result in many borrowers in forbearance not returning to their jobs and becoming delinquent at the end of their forbearance periods. Given the unprecedented circumstances caused by the COVID-19 pandemic, it is difficult to predict the severity and timing of this potential increase in forbearances and delinquencies.

An increase in loans in forbearance or an increase in delinquencies may temporarily reduce our servicing revenue or may delay the timing of revenue recognition. We earn fees for servicing and subservicing mortgage loans underlying our investments in MSRs. We collect servicing and subservicing fees, generally expressed as a percent of UPB, from the borrowers' payments. In addition to servicing and subservicing fees, we also earn late fees, prepayment penalties, float earnings and other ancillary fees. These revenues are reported as Servicing revenue, net in our Condensed Consolidated Statements of Income. We recognize servicing and subservicing fees as revenue when the fees are earned, which is generally when the borrowers' payments are collected or when loans are modified or liquidated through the sale of the underlying real estate collateral or otherwise. In accordance with the GSE and Ginnie Mae guides, we do not collect any servicing fees on delinquent loans underlying our GSE and Ginnie Mae MSR portfolio. In addition, for certain GSE loans, we may not recognize any servicing fees during the forbearance periods. Conditions will also affect ancillary income timing and may reduce such income. While higher delinquencies tend to increase the assessment of some ancillary income, such as late fees, we do not assess late fees on loans in forbearance. The deferral of servicing fee collections due to forbearances is not expected to significantly impact our total cumulative revenue over the life of the loan but will reduce near term revenue and cash flow.

An increase in loans in forbearance or an increase in delinquencies would increase our cost to service and operating expenses. Loans in default typically require more intensive effort by the servicer or subservicer to bring the loan current or manage the foreclosure process. As forbearance periods end, additional efforts will be required to administer repayment plans, loan modifications, extensions of forbearance, payment deferrals, or other loss mitigation solutions. Upon the successful completion of the forbearance period for a GSE loan where the borrower is brought current through a payment deferral, repayment plan, or flex modification, our subservicers will earn an incentive fee from the GSEs as compensation for the additional cost to service.

An increase in loans in forbearance or an increase in delinquencies would increase our servicing advances and may increase the related interest expense.

CAPITAL ACTIVITIES

We have sought to increase our liquidity and stabilize financing sources, both to strengthen our balance sheet and take advantage of opportunities when market conditions stabilize. Prior to the recent turmoil in the financial markets, we financed the majority of our investments with repurchase agreements and other short-term financing arrangements that contained daily mark-to-market provisions. As a result of the severe market dislocations related to the COVID-19 pandemic and, more

specifically, the unprecedented illiquidity in repurchase agreement financing, we procured and continue to procure financing, such as securitizations and term financings, that provide less or no exposure to fluctuations in the daily collateral repricing determinations. While the cost of funds for such financings may be greater relative to repurchase agreement funding, we believe, given current market conditions, financing with non-daily mark-to-market provisions may allow us to better manage our liquidity risk and reduce exposures to events like those caused by the COVID-19 pandemic. We will continue in the near term to explore additional financing arrangements to further strengthen our balance sheet and position ourselves for future investment opportunities, including, without limitation, additional issuances of our equity and debt securities and longer-termed financing arrangements; however, there can be no assurance that we will be able to access any such financing or to successfully negotiate the size, timing or terms thereof.

On May 19, 2020, the Company entered into a three-year senior secured term loan facility agreement in the principal amount of $600.0 million. See Note 11 to our Condensed Consolidated Financial Statements for further details.

PROPOSED CHANGES TO LIBOR

LIBOR is used extensively in the U.S. and globally as a "benchmark" or "reference rate" for various commercial and financial contracts, including corporate and municipal bonds and loans, floating rate mortgages, asset-backed securities, consumer loans, and interest rate swaps and other derivatives. It is expected that a number of private-sector banks currently reporting information used to set LIBOR will stop doing so after 2021 when their current reporting commitment ends, which could either cause LIBOR to stop publication immediately or cause LIBOR's regulator to determine that its quality has degraded to the degree that it is no longer representative of its underlying market. The U.S. and other countries are currently working to replace LIBOR with alternative reference rates. In the U.S., the Alternative Reference Rates Committee, or ARRC, has identified the Secured Overnight Financing Rate, or SOFR, as its preferred alternative rate for U.S. dollar-based LIBOR. SOFR is a measure of the cost of borrowing cash overnight, collateralized by U.S. Treasury securities, and is based on directly observable U.S. Treasury-backed repurchase transactions. Some market participants may continue to explore whether other U.S. dollar-based reference rates would be more appropriate for certain types of instruments. The ARRC has proposed a paced market transition plan to SOFR, and various organizations are currently working on industry wide and company-specific transition plans as it relates to derivatives and cash markets exposed to LIBOR. We have material contracts that are indexed to USD-LIBOR and are monitoring this activity, and evaluating the related risks and our exposure.

OUR PORTFOLIO

Our portfolio, as of June 30, 2020, is composed of servicing and origination, including our subsidiary operating entities, residential securities and loans and other investments, as described in more detail below (dollars in thousands).

	Servicing and Origination					Residential Securities and Loans				
	Origination	Servicing	MSR Related Investments	Elimination[(A)]	Total Servicing and Origination	Real Estate Securities	Residential Mortgage Loans	Consumer Loans	Corporate	Total
June 30, 2020										
Investments	$ 1,750,568	$ —	$ 6,039,020	$ —	$ 7,789,588	$ 6,144,236	$ 2,614,314	$ 766,462	$ —	$ 17,314,600
Cash and cash equivalents	159,242	83,066	362,659	—	604,967	111,571	19,210	7,477	269,983	1,013,208
Restricted cash	3,224	5,209	87,199	—	95,632	11,259	—	32,041	—	138,932
Other assets	231,088	197,243	3,166,414	—	3,594,745	217,354	1,356,432	60,095	27,315	5,255,941
Goodwill	11,836	12,540	5,092	—	29,468	—	—	—	—	29,468
Total assets	$ 2,155,958	$ 298,058	$ 9,660,384	$ —	$ 12,114,400	$ 6,484,420	$ 3,989,956	$ 866,075	$ 297,298	$ 23,752,149
Debt	$ 1,607,829	$ 6,669	$ 6,383,566	$ —	$ 7,998,064	$ 5,314,581	$ 2,015,476	$ 722,839	$ 533,383	$ 16,584,343
Other liabilities	201,530	55,774	209,335	—	466,639	119,506	1,119,831	3,916	68,942	1,778,834
Total liabilities	1,809,359	62,443	6,592,901	—	8,464,703	5,434,087	3,135,307	726,755	602,325	18,363,177
Total equity	346,599	235,615	3,067,483	—	3,649,697	1,050,333	854,649	139,320	(305,027)	5,388,972
Noncontrolling interests in equity of consolidated subsidiaries	15,186	—	40,333	—	55,519	—	—	41,162	—	96,681
Total New Residential stockholders' equity	$ 331,413	$ 235,615	$ 3,027,150	$ —	$ 3,594,178	$ 1,050,333	$ 854,649	$ 98,158	$ (305,027)	$ 5,292,291
Investments in equity method investees	$ —	$ —	$ 147,017	$ —	$ 147,017	$ —	$ —	$ —	$ —	$ 147,017

Operating Investments

Origination

For the six months ended June 30, 2020, NewRez's loan origination volume was $19.7 billion, up from $6.0 billion in the year prior. During the six months ended June 30, 2020, the continued lower interest rate environment, increased refinance activity by borrowers, integration of Ditech's origination platform, and increased market share helped drive growth across all channels. Gain on sale margins in the three- and six-month periods ended June 30, 2020, were 2.87% and 1.98% as compared to 1.56% and 1.73% in 2019. In response to market disruption caused by the COVID-19 pandemic, and consistent with our actions to de-risk our balance sheet and preserve liquidity, in March 2020, NewRez shifted its focus to higher quality GSE and government loans, ceased non-qualified mortgage loan ("Non-QM") production due to securitization market illiquidity, and paused wholesale and correspondent channel originations to reduce our pipeline and minimize hedge and margin risk. We re-entered the wholesale and correspondent channels in May 2020. While we expect gain on sale margins to revert to historical levels over time, we believe demand will continue to exceed supply for the balance of 2020, resulting in favorable market conditions for the rest of the year.

Included in our Origination segment are the financial results of two affiliated businesses, E Street Appraisal Management LLC ("E Street") and Avenue 365 Lender Services, LLC ("Avenue 365"). E Street offers appraisal valuation services and Avenue 365 provides title insurance and settlement services to NewRez.

On July 13, 2020, NewRez announced a strategic relationship with Salesforce, a global leader in Customer Relationship Management (CRM), focused on creating a more integrated experience for customers across our origination and servicing operations. NewRez will also serve as an industry design advisor to Salesforce for its mortgage solutions platform.

The charts below provide selected operating statistics for our Origination segment:

	Unpaid Principal Balance for the Six Months Ended		
	June 30, 2020	June 30, 2019	Change
Production by Channel (in millions)			
Retail / Shelter	$ 1,597	$ 906	$ 691
Direct to Consumer / Retention	5,162	1,343	3,819
Wholesale	2,916	1,885	1,031
Correspondent	10,009	1,889	8,120
Total Production by Channel	$ 19,684	$ 6,023	$ 13,661
Production by Product (in millions)			
Agency	$ 11,901	$ 2,942	$ 8,959
Government	7,133	2,176	4,957
Non-QM	365	638	(273)
Non-Agency	248	223	25
Other	37	44	(7)
Total Production by Product	$ 19,684	$ 6,023	$ 13,661
% Purchase	27 %	58 %	(31)%
% Refinance	73 %	42 %	31 %

	June 30, 2020	June 30, 2019	Change
Origination Revenue (in thousands)			
Gain on loans originated and sold[(A)]	$ 264,231	$ 25,118	$ 239,113
Gain (loss) on settlement of mortgage loan derivative instruments[(B)]	(221,881)	(29,278)	(192,603)
MSRs retained on transfer of loans[(C)]	256,058	91,289	164,769
Other[(D)]	16,026	7,721	8,305
Realized gain on sale of originated mortgage loans, net	$ 314,434	$ 94,850	$ 219,584
Change in fair value of loans	$ 33,510	$ 24,153	$ 9,357
Change in fair value of interest rate lock commitments	124,057	10,909	113,148
Change in fair value of derivative instruments	(31,849)	(5,157)	(26,692)
Unrealized origination revenue	$ 125,718	$ 29,905	$ 95,813
Gain on originated mortgage loans, held-for-sale, net[(E)] [(F)]	$ 440,152	$ 124,755	$ 315,397
Pull through adjusted lock volume	$ 22,202,594	$ 7,195,314	$ 15,007,280
Revenue as a percentage of pull through adjusted lock volume	1.98 %	1.73 %	0.25 %

(A) Includes loan origination fees of $386.8 million and $85.9 million for the six months ended June 30, 2020 and 2019, respectively.
(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, and the provision for repurchase reserves, net of release.
(E) Excludes $49.6 million and $43.4 million of gain on originated mortgage loans, held-for-sale, net for the six months ended June 30, 2020 and 2019, respectively, related to the MSR Related Investments, Servicing, and Residential Mortgage Loans segments, as well as intercompany eliminations (Note 8 to the Condensed Consolidated Financial Statements).
(F) Excludes mortgage servicing rights revenue on recaptured loan volume delivered back to NRM.

Total Gain on originated mortgage loans, held-for-sale, net, increased for the six months ended June 30, 2020 compared to the same period in 2019 primarily driven by the higher volume from all our Channels.

Servicing

Our servicing business operates through a performing loan servicing division, NewRez Servicing and a special servicing division, Shellpoint Mortgage Servicing ("SMS"). NewRez Servicing services performing Agency and government-insured loans. SMS services delinquent Agency loans and Non-Agency loans on behalf of the owners of the underlying mortgage loans.

We completed more than 187,000 forbearances in the first half of 2020, 99% of which were CARES Act or COVID-19 related programs. SMS is generally entitled to receive incentive fees, including fees paid in connection with the completion of a repayment plan or payment deferral plan. Incentives are expected to range from $500 to a maximum of $1,000 per loan, subject to certain conditions, based upon the final form of the forbearance resolution.

During the six months ended June 30, 2020, we boarded approximately 610,000 loans, completing the remaining Ditech acquisition transfers. Prior to March 2020, our cost to service continues to decline as we achieve the benefits of scale and create efficiencies. Annualized direct cost to service per loan has declined 37% to $136 per loan in the first half of 2020 from $195 per loan in the prior year. Our cost to service has increased since March 2020 in connection with supporting performing homeowners navigate forbearance programs and a rise in delinquencies. Higher costs are expected to be offset by incentive and performance fees in the future as delinquencies are resolved. Direct cost to service is comprised of costs associated with administering loans and does not include corporate overhead allocations.

The table below provides the mix of our serviced assets portfolio between subserviced performing servicing on behalf of New Residential, NRM or NewRez (labeled as "Performing Servicing") and subserviced non-performing, or special servicing (labeled as "Special Servicing") for third parties and delinquent loans subserviced for other New Residential subsidiaries as of June 30, 2020 and 2019.

	Unpaid Principal Balance		
	June 30, 2020	June 30, 2019	Change
Performing Servicing (in millions)			
MSR Assets	$ 173,619	$ 100,912	$ 72,707
Acquired Residential Whole Loans	$ 1,965	$ 1,239	$ 726
Total Performing Servicing	$ 175,584	$ 102,151	$ 73,433
Special Servicing (in millions)			
MSR Assets	$ 12,127	$ 2,074	$ 10,053
Acquired Residential Whole Loans	$ 7,185	$ 4,559	$ 2,626
Third Party	$ 82,688	$ 50,442	$ 32,246
Total Special Servicing	$ 102,000	$ 57,075	$ 44,925
Total Servicing Portfolio	$ 277,584	$ 159,226	$ 118,358
Agency Servicing (in millions)			
MSR Assets	$ 128,714	$ 75,331	$ 53,383
Acquired Residential Whole Loans	$ —	$ —	$ —
Third Party	$ 20,069	$ 3,837	$ 16,232
Total Agency Servicing	$ 148,783	$ 79,168	$ 69,615
Government Servicing (in millions)			
MSR Assets	$ 56,585	$ 27,054	$ 29,531
Acquired Residential Whole Loans	$ —	$ —	$ —
Third Party	$ 1,569	$ 1,980	$ (411)
Total Government Servicing	$ 58,154	$ 29,034	$ 29,120
Non-Agency (Private Label) Servicing (in millions)			
MSR Assets	$ 447	$ 601	$ (154)
Acquired Residential Whole Loans	$ 9,150	$ 5,798	$ 3,352
Third Party	$ 61,050	$ 44,625	$ 16,425
Total Non-Agency (Private Label) Servicing	$ 70,647	$ 51,024	$ 19,623
Total Servicing Portfolio	$ 277,584	$ 159,226	$ 118,358

	Six Months Ended		
	June 30, 2020	June 30, 2019	Change
Base Servicing Fees (in thousands):			
MSR Assets	$ 68,671	$ 20,532	$ 48,139
Acquired Residential Whole Loans	6,209	3,211	2,998
Third Party	59,610	34,646	24,964
Total Base Servicing Fees	$ 134,490	$ 58,389	$ 76,101
Other Fees (in thousands):			
Incentive fees	$ 16,193	$ 16,985	$ (792)
Ancillary fees	20,153	13,774	6,379
Boarding fees	6,078	2,463	3,615
Other fees	6,713	472	6,241
Total Other Fees[A]	$ 49,137	$ 33,694	$ 15,443
Total Servicing Fees	$ 183,627	$ 92,083	$ 91,544

(A) Includes other fees earned from third parties of $34.6 million and $30.1 million for the six months ended June 30, 2020 and 2019, respectively.

MSR Related Investments

MSRs and MSR Financing Receivables

As of June 30, 2020, we had $5.0 billion carrying value of MSRs and MSR financing receivables.

We finance our investments in MSRs and MSR financing receivables with short- and medium-term bank and public capital market notes. These borrowings are primarily recourse debt and bear both fixed and variable interest rates offered by the counterparty for the term of the notes of a specified margin over LIBOR. The public notes are typically issued with a collateral coverage percentage, which is a quotient expressed as a percentage equal to the aggregate note amount divided by the market value of the underlying collateral. The market value of the underlying collateral is generally updated on a quarterly basis and if the collateral coverage percentage becomes greater than or equal to a collateral trigger, generally 90%, we may be required to add funds, pay down principal on the notes, or add additional collateral to bring the collateral coverage percentage below 90%. The difference between the collateral coverage percentage and the collateral trigger is referred to as a "margin holiday."

See Note 11 to our Condensed Consolidated Financial Statements for further information regarding financing of our MSRs and MSR financing receivables.

We have contracted with certain subservicers and, in relation to certain MSR purchases, interim subservicers, to perform the related servicing duties on the residential mortgage loans underlying our MSRs. As of June 30, 2020, these subservicers include PHH, LoanCare, Mr. Cooper, and Flagstar, which subservice 22.2%, 20.8%, 17.7%, and 0.8% of the underlying UPB of the related mortgages, respectively (includes both Mortgage Servicing Rights and MSR Financing Receivables). The remaining 38.5% of the underlying UPB of the related mortgages is subserviced by NewRez (Note 1 to our Condensed Consolidated Financial Statements). We have entered into agreements with certain subservicers pursuant to which we are entitled to receive the MSR on any refinancing by the subservicer or by NewRez of a loan in the related original portfolio.

We are generally obligated to fund all future servicer advances related to the underlying pools of mortgage loans on our MSRs and MSR financing receivables. Generally, we will advance funds when the borrower fails to meet, including forbearances, contractual payments (e.g. principal, interest, property taxes, insurance). We will also advance funds to maintain and report foreclosed real estate properties on behalf of investors. Advances are recovered through claims to the related investor and subservicers. Pursuant to our servicing agreements, we are obligated to make certain advances on mortgage loans to be in compliance with applicable requirements. In certain instances, the subservicer is required to reimburse us for any advances that were deemed nonrecoverable or advances that were not made in accordance with the related servicing contract.

We finance our investments in servicer advances with short- and medium-term collateralized borrowings. These borrowings are non-recourse committed facilities that are not subject to margin calls and bear both fixed and variable interest rates offered by the counterparty for the term of the notes, generally less than one year, of a specified margin over LIBOR. See Note 11 to our Condensed Consolidated Financial Statements for further information regarding financing of our servicer advances.

See Note 5 to our Condensed Consolidated Financial Statements for further information regarding our investments in MSR financing receivables. See "Management's Discussion and Analysis of Financial Condition and Results of Operations-Results of Operations-Change in Fair Value of Investments in MSR Financing Receivables" for further information regarding the impact of the economic uncertainties resulting from COVID-19 and the associated impacted on our MSR investments.

The table below summarizes our investments in MSRs and MSR financing receivables as of June 30, 2020.

	Current UPB (millions)	Weighted Average MSR (bps)		Carrying Value (millions)
MSRs				
GSE	$ 315,552.9	28	bps	$ 2,927.1
Non-Agency	6,065.8	45		18.4
Ginnie Mae	57,779.1	44		605.7
MSR Financing Receivables				
GSE	43,073.3	27		382.1
Non-Agency	71,380.2	48		1,087.8
Total	$ 493,851.3	33	bps	$ 5,021.1

The following table summarizes the collateral characteristics of the loans underlying our investments in MSRs and MSR financing receivables as of June 30, 2020 (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
MSRs												
GSE	$ 2,927,046	$ 315,552,886	2,019,853	746	4.2 %	267	69	3.2 %	23.9 %	23.7 %	0.1 %	12.6 %
Non-Agency	18,400	6,065,805	130,637	668	7.1 %	306	165	3.7 %	28.4 %	26.6 %	2.3 %	3.4 %
Ginnie Mae	605,713	57,779,101	290,806	686	3.9 %	322	34	2.8 %	21.2 %	21.0 %	0.2 %	22.3 %
MSR Financing Receivables												
GSE	382,078	43,073,285	192,591	746	4.3 %	291	37	1.0 %	40.8 %	40.7 %	0.1 %	5.6 %
Non-Agency	1,087,849	71,380,202	525,460	643	4.3 %	304	173	14.5 %	9.1 %	7.0 %	2.3 %	3.5 %
Total	$ 5,021,086	$ 493,851,279	3,159,347	723	4.2 %	281	78	4.6 %	23.0 %	22.5 %	0.5 %	11.7 %

	Collateral Characteristics					
	Delinquency 30 Days[F]	Delinquency 60 Days[F]	Delinquency 90+ Days[F]	Loans in Foreclosure	Real Estate Owned	Loans in Bankruptcy
MSRs						
GSE	1.9 %	1.7 %	3.1 %	0.4 %	— %	0.3 %
Non-Agency	3.6 %	2.1 %	14.0 %	3.7 %	0.6 %	2.9 %
Ginnie Mae	4.2 %	3.2 %	6.1 %	1.1 %	0.1 %	1.0 %
MSR Financing Receivables						
GSE	1.8 %	2.2 %	3.6 %	— %	— %	0.1 %
Non-Agency	6.0 %	2.2 %	2.5 %	7.9 %	1.4 %	2.7 %
Total	2.8 %	2.0 %	3.6 %	1.5 %	0.2 %	0.7 %

(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.

Excess MSRs

The tables below summarize the terms of our investments in Excess MSRs completed as of June 30, 2020.

Summary of Direct Excess MSR Investments as of June 30, 2020

	MSR Component[A]			Excess MSR
	Current UPB (billions)	Weighted Average MSR (bps)	Weighted Average Excess MSR (bps)	Interest in Excess MSR (%)	Carrying Value (millions)
Agency	$ 39.8	29 bps	21 bps	32.5% - 66.7%	$ 186.9
Non-Agency[B]	41.8	35	15	33.3% - 100.0%	$ 159.5
Total/Weighted Average	$ 81.6	32 bps	18 bps		$ 346.4

(A) The MSR is a weighted average as of June 30, 2020, and the Excess MSR represents the difference between the weighted average MSR and the basic fee (which fee remains constant).

(B) Serviced by Mr. Cooper and SLS, 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 $28.8 billion UPB underlying these Excess MSRs.

Summary of Excess MSR Investments Through Equity Method Investees as of June 30, 2020

		MSR Component[A]						
	Current UPB (billions)	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 (millions)
Agency	$ 31.9	33 bps	22 bps	50.0 %	66.7 %	33.3 %	$ 200.7

(A) The MSR is a weighted average as of June 30, 2020, 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 June 30, 2020 (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	$ 133,517	$ 28,268,374	211,521	724	4.6 %	238	123	1.7 %	16.1 %	15.7 %	0.5 %	14.8 %
Recaptured Loans	53,411	11,565,289	70,561	725	4.3 %	272	47	0.1 %	16.7 %	16.6 %	0.2 %	36.4 %
	$ 186,928	$ 39,833,663	282,082	725	4.5 %	249	99	1.2 %	16.3 %	15.9 %	0.4 %	21.7 %
Non-Agency[F]												
Mr. Cooper and SLS Serviced:												
Original Pools	$ 135,615	$ 37,960,130	217,004	671	4.6 %	274	171	9.4 %	11.8 %	10.3 %	1.7 %	10.0 %
Recaptured Loans	23,907	3,872,832	17,961	737	4.2 %	280	32	0.1 %	23.4 %	23.5 %	— %	36.0 %
	$ 159,522	$ 41,832,962	234,965	676	4.5 %	274	159	8.0 %	12.7 %	11.4 %	1.6 %	14.4 %
Total/Weighted Average[H]	$ 346,450	$ 81,666,625	517,047	699	4.5 %	262	131	4.4 %	14.4 %	13.5 %	1.0 %	18.4 %

	Collateral Characteristics					
	Delinquency					
	30 Days[G]	60 Days[G]	90+ Days[G]	Loans in Foreclosure	Real Estate Owned	Loans in Bankruptcy
Agency						
Original Pools	3.5 %	3.8 %	1.3 %	0.5 %	0.2 %	0.1 %
Recaptured Loans	3.1 %	3.7 %	0.8 %	0.2 %	— %	— %
	3.4 %	3.8 %	1.2 %	0.4 %	0.1 %	0.1 %
Non-Agency[F]						
Mr. Cooper and SLS Serviced:						
Original Pools	11.6 %	9.7 %	5.3 %	5.2 %	0.8 %	1.7 %
Recaptured Loans	2.7 %	3.0 %	0.5 %	0.1 %	— %	— %
	10.8 %	9.1 %	4.9 %	4.7 %	0.7 %	1.5 %
Total/Weighted Average[H]	7.3 %	6.6 %	3.1 %	2.7 %	0.4 %	0.8 %

(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 $28.8 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 June 30, 2020 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	$ 112,739	$ 18,582,487	33.3 %	188,755	705	5.2 %	229	143	1.4 %	15.3 %	14.2 %	1.3 %	18.3 %
Recaptured Loans	87,911	13,341,450	33.3 %	96,872	710	4.3 %	266	54	0.1 %	15.9 %	15.7 %	0.4 %	41.0 %
Total/Weighted Average[G]	$ 200,650	$ 31,923,937		285,627	707	4.8 %	245	106	1.4 %	15.6 %	14.8 %	0.9 %	28.3 %

	Collateral Characteristics					
	Delinquency					
	30 Days[F]	60 Days[F]	90+ Days[F]	Loans in Foreclosure	Real Estate Owned	Loans in Bankruptcy
Agency						
Original Pools	4.2 %	3.7 %	1.5 %	0.7 %	0.2 %	0.2 %
Recaptured Loans	3.5 %	3.4 %	0.9 %	0.2 %	— %	0.1 %
Total/Weighted Average[G]	3.9 %	3.6 %	1.2 %	0.5 %	0.2 %	0.1 %

(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):

	June 30, 2020				
	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					
Mr. Cooper and SLS serviced pools	$ 537,388	$ 559,011	$ 28,834,119	$ 467,339	1.6 %

(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 six months ended, June 30, 2020 (dollars in thousands):

			Six Months Ended June 30, 2020		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]	5.3 %	6.3	$ (2,712)	$ 442,002	88.9 %	87.9 %	2.9 %	2.9 %

(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:

	June 30, 2020
Principal and interest advances	$ 113,039
Escrow advances (taxes and insurance advances)	167,167
Foreclosure advances	187,133
Total	$ 467,339

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

MSR Related Ancillary Business

Our MSR related investments segment also includes the activity from several wholly-owned subsidiaries or minority investments in companies that perform various services in the mortgage and real estate industries. Our subsidiary Guardian is a national provider of field services and property management services. We also made a strategic minority investment in Covius, a provider of various technology-enabled services to the mortgage and real estate industries.

Residential Securities and Loans

Real Estate Securities

Agency RMBS

The following table summarizes our Agency RMBS portfolio as of June 30, 2020 (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[B]	Outstanding Repurchase Agreements
Agency RMBS	$ 4,023,936	$ 4,161,318	100.0 %	$ 43,942	$ —	$ 4,205,260	33	6.0	0.3 %	$ 3,897,468

(A) Fair value, which is equal to carrying value for all securities.
(B) Three month average constant prepayment rate, represents the annualized rate of the prepayments during the quarter as a percentage of the total amortized cost basis.

The following table summarizes the net interest spread of our Agency RMBS portfolio as of June 30, 2020:

Net Interest Spread[A]	
Weighted Average Asset Yield	1.86 %
Weighted Average Funding Cost	0.25 %
Net Interest Spread	1.61 %

(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.

We finance our investments in Agency RMBS with short-term borrowings under master repurchase agreements. These borrowings generally bear interest rates offered by the counterparty for the term of the proposed repurchase transaction (e.g., 30 days, 60 days, etc.) of a specified margin over one-month LIBOR. The repurchase agreements represent uncommitted financing. At June 30, 2020 and December 31, 2019, the Company pledged Agency RMBS with a carrying value of approximately $4.1 billion and $15.9 billion, respectively, as collateral for borrowings under repurchase agreements. To the extent available on desirable terms, we expect to continue to finance our acquisitions of Agency RMBS with repurchase agreement financing. See Note 11 to our Condensed Consolidated Financial Statements for further information regarding financing of our Agency RMBS.

Non-Agency RMBS

Since mid-March 2020, markets for mortgage-backed securities and other credit-related assets have experienced significant volatility, widening credit spreads and sharp declines in liquidity, which has had a material impact on our investment portfolio. A significant portion of our Non-Agency RMBS portfolio was financed with repurchase agreements. Fluctuations in the value of our portfolio of Non-Agency RMBS, including as a result of changes in credit spreads, resulted in our being required to post additional collateral with our counterparties under these repurchase agreements. These fluctuations and requirements to post additional collateral were material. In an effort to mitigate the impact to our business from these developments and improve our liquidity, we sold a substantial portion of our Non-Agency RMBS portfolio in March 2020, for which we recorded significant realized losses. Refer to Note 16 for details regarding Non-Agency RMBS sales with affiliates.

The following table summarizes our Non-Agency RMBS portfolio as of June 30, 2020 (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	$ 23,019,974	$ 1,965,450	$ 85,061	$ (111,535)	$ 1,938,976	$ 1,332,178

(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 June 30, 2020 (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	D	103	$ 192,563	$ 63,649	3.3 %	$ 63,150	0.1 %	0.9 %	6.2	5.5 %
2006	N/A	15	91,603	—	— %	—	— %	— %	—	0.1 %
2007	BBB	21	404,416	159,631	8.2 %	164,546	— %	0.4 %	2.5	0.6 %
2008 and later	B-	467	22,304,712	1,720,749	88.5 %	1,689,961	14.6 %	— %	8.4	3.2 %
Total/Weighted Average	B	606	$ 22,993,294	$ 1,944,029	100.0 %	$ 1,917,657	12.7 %	0.1 %	7.8	3.1 %

	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	17.6	0.05	6.8 %	12.1 %	17.7 %
2006	13.8	0.08	10.7 %	— %	101.1 %
2007	13.1	0.47	12.4 %	1.4 %	15.0 %
2008 and later	13.2	0.82	10.2 %	3.5 %	0.1 %
Total/Weighted Average	13.3	0.77	10.3 %	3.6 %	1.9 %

(A) Excludes $16.4 million face amount of bonds backed by consumer loans and $10.3 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 374 bonds with a carrying value of $992.0 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 June 30, 2020.
(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 June 30, 2020.
(F) Excludes residual bonds, and certain other Non-Agency bonds, with a carrying value of $26.8 million and $4.3 million, respectively, for which no coupon payment is expected.
(G) The weighted average loan size of the underlying collateral is $253.0 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 June 30, 2020:

Net Interest Spread[A]	
Weighted Average Asset Yield	5.37 %
Weighted Average Funding Cost	4.28 %
Net Interest Spread	1.09 %

(A) The Non-Agency RMBS portfolio consists of 51.0% floating rate securities and 49.0% fixed rate securities (based on amortized cost basis).

We finance our investments in Non-Agency RMBS with short-term borrowings under master repurchase agreements. These borrowings generally bear interest rates offered by the counterparty for the term of the proposed repurchase transaction (e.g., 30 days, 60 days, etc.) of a specified margin over one-month LIBOR. The repurchase agreements represent uncommitted financing. At June 30, 2020 and December 31, 2019, the Company pledged Non-Agency RMBS with a carrying value of approximately $1.9 billion and $8.0 billion, respectively, as collateral for borrowings under repurchase agreements. A portion of collateral for borrowings under repurchase agreements is subject to daily mark-to-market fluctuations and margin calls. In addition, a portion of collateral for borrowings under repurchase agreements is not subject to daily margin calls unless the collateral coverage percentage, a quotient expressed as a percentage equal to the current carrying value of outstanding debt divided by the market value of the underlying collateral, becomes greater than or equal to a collateral trigger. The difference between the collateral coverage percentage and the collateral trigger is referred to as a "margin holiday." See Note 11 to our Condensed Consolidated Financial Statements for further information regarding financing of our Non-Agency RMBS.

Call Rights

We hold a limited right to cleanup call options with respect to certain securitization trusts serviced or master serviced by Mr. Cooper 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 Mr. Cooper 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 $77.0 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 and 16 in our Condensed Consolidated Financial Statements for further details on these transactions.

On March 31, 2020, in connection with the sale of certain Non-Agency RMBS (the "Securities"), we agreed to exercise call rights with respect to those Securities on behalf and solely at the direction of one of the buyers.

Refer to Note 16 for additional discussion regarding call rights and transactions with affiliates.

Residential Mortgage Loans

In March of 2020, we began selling assets to manage and generate liquidity and de-risk our balance sheet. To realign our balance sheet in reaction to increased market risk and raise liquidity, we reduced our exposure to loan pools financed using repurchase agreements. Furthermore, while typically more expensive, to the extent possible, the Company has been opportunistically seeking long-term financing arrangements rather than short-term repurchase agreements to reduce volatility risk associated with assets valuations and margin calls.

As of June 30, 2020, we had approximately $4.6 billion outstanding face amount of residential mortgage loans. These investments were financed with repurchase agreements with an aggregate face amount of approximately $3.3 billion and notes and bonds payable with an aggregate face amount of approximately $0.3 billion. We acquired these loans through open market purchases, as well as through the exercise of call rights and acquisitions.

The following table presents the total residential mortgage loans outstanding by loan type at June 30, 2020 (dollars in thousands).

	Outstanding Face Amount	Carrying Value	Loan Count	Weighted Average Yield	Weighted Average Life (Years)[A]
Total Residential Mortgage Loans, held-for-investment, at fair value	$ 830,117	$ 750,332	13,168	7.2 %	6.4
Acquired Reverse Mortgage Loans[E] [F]	$ 12,604	$ 6,458	29	7.9 %	3.9
Acquired Performing Loans[G] [I]	224,268	198,150	4,680	6.0 %	4.1
Acquired Non-Performing Loans[H] [I]	617,062	490,222	4,703	7.3 %	3.3
Total Residential Mortgage Loans, held-for-sale	$ 853,934	$ 694,830	9,412	7.0 %	3.5
Acquired Performing Loans[G] [I]	$ 1,245,660	$ 1,075,996	9,258	4.8 %	8.0
Originated Loans	1,675,955	1,748,913	6,111	3.3 %	27.2
Total Residential Mortgage Loans, held-for-sale, at fair value	$ 2,921,615	$ 2,824,909	15,369	3.9 %	19.0

(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 $0.6 million. Approximately 51% 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) As of June 30, 2020, we have placed all Non-Performing Loans, held-for-sale on nonaccrual status, except as described in (I) below.
(I) Includes $30.0 million and $26.1 million UPB of Ginnie Mae EBO performing and non-performing loans, respectively, on accrual status as contractual cash flows are guaranteed by the FHA.

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

We finance a significant portion of our investments in residential mortgage loans with borrowings under repurchase agreements. These recourse borrowings bear variable interest rates offered by the counterparty for the term of the proposed repurchase transaction, generally less than one year, of a specified margin over the one-month LIBOR. At June 30, 2020 and December 31, 2019, the Company pledged mortgage loans with a carrying value of approximately $3.8 billion and $5.1 billion, respectively, as collateral for borrowings under repurchase agreements. A portion of collateral for borrowings under repurchase agreements are subject to daily mark-to-market fluctuations and margin calls. A portion of collateral for borrowings under repurchase agreements is not subject to daily margin calls unless the collateral coverage percentage, a quotient expressed as a percentage equal to the current carrying value of outstanding debt divided by the market value of the underlying collateral, becomes greater than or equal to a collateral trigger. The difference between the collateral coverage percentage and the collateral trigger is referred to as a "margin holiday." See Note 11 to our Condensed Consolidated Financial Statements for further information regarding financing of our mortgage loans.

See Note 11 to our Condensed Consolidated Financial Statements for further information regarding financing of our residential mortgage loans.

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 June 30, 2020 (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	$ 718,385	61.3 %	38.7 %	99,959	677	17.7 %	12.2 %	182	3.7	1.8 %	1.1 %	1.6 %	18.1 %	4.6 %

(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.

We have financed our investments in consumer loans with securitized non-recourse long-term notes with a stated maturity date of May 2036. Furthermore, the notes are non-mark-to-market and not subject to margin calls. See Note 11 to our Condensed Consolidated Financial Statements for further information regarding financing of our consumer loans.

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 June 30, 2020, 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, 2019.

We believe the estimates and assumptions underlying our consolidated financial statements are reasonable and supportable based on the information available as of June 30, 2020; however, uncertainty over the ultimate impact COVID-19 will have on the global economy generally, and our business in particular, makes any estimates and assumptions as of June 30, 2020 inherently less certain than they would be absent the current and potential impacts of COVID-19. Actual results may materially differ from those estimates.

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 six months ended June 30, 2020 compared to the three and six months ended June 30, 2019 (dollars in thousands). Our results of operations are not necessarily indicative of future performance.

	Three Months Ended June 30,		Increase (Decrease)	Six Months Ended June 30,		Increase (Decrease)
	2020	2019	Amount	2020	2019	Amount
Revenues						
Interest Income	$ 232,198	$ 416,047	$ (183,849)	$ 634,571	$ 854,914	$ (220,343)
Servicing revenue, net of change in fair value of $(441,033), $(334,599), $(1,090,408), and $(391,509), respectively	(90,459)	(85,537)	(4,922)	(379,574)	80,316	(459,890)
Gain on originated mortgage loans, held-for-sale, net	310,022	101,018	209,004	489,720	168,188	321,532
	451,761	431,528	20,233	744,717	1,103,418	(358,701)
Expenses						
Interest expense	116,403	228,004	(111,601)	333,258	440,836	(107,578)
General and administrative expenses	217,373	118,906	98,467	423,736	217,846	205,890
Management fee to affiliate	22,479	19,623	2,856	44,200	37,583	6,617
Incentive compensation to affiliate	—	—	—	—	12,958	(12,958)
Loan servicing expense	7,149	9,372	(2,223)	15,002	18,975	(3,973)
Subservicing expense	73,132	53,962	19,170	140,113	94,888	45,225
	436,536	429,867	6,669	956,309	823,086	133,223
Other Income (Loss)						
Change in fair value of investments	102,776	(26,642)	129,418	(463,500)	(57,746)	(405,754)
Gain (loss) on settlement of investments, net	(74,966)	5,576	(80,542)	(874,538)	(37,285)	(837,253)
Earnings from investments in consumer loans, equity method investees	—	(2,654)	2,654	—	1,657	(1,657)
Other income (loss), net	(3,207)	(2,227)	(980)	(40,020)	3,461	(43,481)
	24,603	(25,947)	50,550	(1,378,058)	(89,913)	(1,288,145)
Impairment						
Provision (reversal) for credit losses on securities	(25,134)	8,859	(33,993)	19,015	16,375	2,640
Valuation and credit loss provision (reversal) on loans and real estate owned (REO)	3,424	13,452	(10,028)	103,920	18,732	85,188
	(21,710)	22,311	(44,021)	122,935	35,107	87,828
Income (Loss) Before Income Taxes	61,538	(46,597)	108,135	(1,712,585)	155,312	(1,867,897)
Income tax expense (benefit)	17,409	(21,577)	38,986	(149,459)	24,420	(173,879)
Net Income (Loss)	$ 44,129	$ (25,020)	$ 69,149	$ (1,563,126)	$ 130,892	$ (1,694,018)
Noncontrolling Interests in Income (Loss) of Consolidated Subsidiaries	$ 38,640	$ 6,923	$ 31,717	$ 22,478	$ 17,241	$ 5,237
Dividends on Preferred Stock	$ 14,357	$ —	$ 14,357	$ 25,579	$ —	$ 25,579
Net Income (Loss) Attributable to Common Stockholders	$ (8,868)	$ (31,943)	$ 23,075	$ (1,611,183)	$ 113,651	$ (1,724,834)

Interest Income

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

During the second quarter of 2020, we continued to reduce the overall size of our asset portfolio, including interest-earnings assets. As a result, interest income decreased by $183.8 million, primarily attributable to (i) a $134.8 million decrease due to a significantly smaller portfolio of bonds owned compared to the three months ended June 30, 2019 and less accelerated accretion recognized on called deals, (ii) a $30.3 million decrease related to MSRs, (iii) a $20.1 million decrease from Residential

Mortgage Loans and Consumer Loans due to lower unpaid principal balance, offset by (iv) a $1.4 million increase in other interest-earning assets.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

During the first quarter and continuing into the second quarter of 2020, we reduced the overall size of our asset portfolio, including interest-earnings assets. As a result, interest income decreased by $220.3 million, primarily attributable to (i) a $155.3 million decrease due to a significantly smaller portfolio of bonds owned compared to the six months ended June 30, 2019 and less accelerated accretion recognized on called deals, (ii) a $35.1 million decrease related to MSRs, (iii) a $27.8 million decrease from Residential Mortgage Loans and Consumer Loans due to lower unpaid principal balance, and (iv) a $2.1 million decrease in other interest-earning assets.

Servicing Revenue, Net

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

	Three Months Ended June 30,		Increase (Decrease)	Six Months Ended June 30,		Increase (Decrease)
	2020	2019	Amount	2020	2019	Amount
Changes in interest rates and prepayment rates	$ (191,083)	$ (221,890)	$ 30,807	$ (514,782)	$ (406,352)	$ (108,430)
Changes in discount rates	—	(4,918)	4,918	(73,502)	69,418	(142,920)
Changes in other factors	36,667	(2,470)	39,137	(29,843)	123,421	(153,264)
Total	$ (154,416)	$ (229,278)	$ 74,862	$ (618,127)	$ (213,513)	$ (404,614)

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Servicing revenue, net decreased $4.9 million primarily driven by (i) a $183.3 million increase in amortization as a result of MSR acquisitions subsequent to June 30, 2019 and faster prepayments, and (ii) a $34.6 million decrease in ancillary and other fees due to lower interest rates. The decrease was partially offset by (iii) a $136.1 million increase in servicing collections as a result of MSR acquisitions that closed subsequent to June 30, 2019, and (iv) a $74.9 million less negative mark-to-market adjustments. The negative mark-to-market adjustments during the three months ended June 30, 2020 were primarily driven by changes in interest rates resulting in lower custodial earnings and faster prepayment rates, resulting from changes in estimates regarding the economic outlook caused by COVID-19.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Servicing revenue, net decreased $459.9 million primarily driven by (i) a $404.6 million increase in negative mark-to-market adjustments, (ii) a $301.9 million increase in amortization as a result of MSR acquisitions subsequent to June 30, 2019 and faster prepayments, and (iii) a $42.4 million decrease in ancillary and other fees due to lower interest rates. The negative mark-to-market adjustments during the six months ended June 30, 2020 were primarily driven by changes in interest rates resulting in lower custodial earnings, an increase in discount rates, and higher delinquency rates, resulting from changes in estimates regarding the economic outlook caused by COVID-19. The decrease was partially offset by (iv) a $281.2 million increase in servicing collections as a result of MSR acquisitions that closed subsequent to June 30, 2019.

Gain on Originated Mortgage Loans, Held-for-Sale, Net

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Gain on originated mortgage loans, held-for-sale, net increased $209.0 million primarily driven by (i) $217.7 million increase in gains on loans originated and sold partially offset by $157.2 million increase in loss on settlement of mortgage loan origination derivative instruments, (ii) $14.3 million higher value of MSRs retained on transfer of loans, and (iii) $134.3 million increase in change in fair value of originated loans, interest rate lock commitments and derivative instruments.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Gain on originated mortgage loans, held-for-sale, net increased $321.5 million primarily driven by (i) $238.8 million increase in gains on loans originated and sold partially offset by $192.1 million increase in loss on settlement of mortgage loan origination

derivative instruments, (ii) $173.7 million higher value of MSRs retained on transfer of loans, and (iii) $101.1 million increase in change in fair value of originated loans, interest rate lock commitments and derivative instruments.

Interest Expense

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Interest expense decreased by $111.6 million primarily attributable to (i) a $89 million decrease related to lower average RMBS portfolio investments financed with repurchase agreements, (ii) a $23.1 million decrease related to residential mortgage loans due to a decrease in the underlying principal balance of the portfolio financed with repurchase agreements, (iii) a $5.6 million net decrease of interest expense from reductions in financing obtained in the origination and servicing business, and (iv) a $2.6 million decrease in interest expense on the Consumer Loan securitization notes due to a decrease in the principal balance outstanding. The decrease was partially offset by (v) a $8.7 million increases in interest expense as a result of the senior secured term loan facility agreement entered into on May 19, 2020. Refer to Note 11 to our Condensed Consolidated Financial Statements for further details.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Interest expense decreased by $107.6 million primarily attributable to (i) a $82.3 million decrease related to lower average RMBS portfolio investments financed with repurchase agreements, (ii) a $28.3 million decrease related to residential mortgage loans due to a decrease in the underlying principal balance of the portfolio financed with repurchase agreements, (iii) a $5.1 million decrease in interest expense on the Consumer Loan securitization notes due to a decrease in the principal balance outstanding, and (iv) a $0.6 million net decrease of interest expense from reductions in financing obtained in the origination and servicing business. The decrease was partially offset by (v) a $8.7 million increases in interest expense as a result of the senior secured term loan facility agreement entered into on May 19, 2020. Refer to Note 11 to our Condensed Consolidated Financial Statements for further details.

General and Administrative Expenses

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

General and administrative expenses increased by $98.5 million primarily attributable to increases in NewRez volumes. As noted in the “Our Portfolio” section, during the second quarter of 2020, loan origination volume at NewRez was $8.3 billion, up from $3.8 billion in the year prior and loans serviced at NewRez was $277.6 billion, up from $159.2 billion in the prior year. The components of general and administrative expenses that increased as a result of these volumes were as follows: (i) a $63.8 million increase in compensation and benefits expense, (ii) a $9.4 million increase in loan origination expenses, (iii) a $3.9 million increase in occupancy expenses, (iv) a $3.5 million increase related to technology and software enhancements, (v) a $9.6 million increase relates to an increase in property maintenance and inspection expense resulting from the acquisition and operations of Guardian, and (vi) a $9.4 million increase relates to other general and administrative expenses. These increases were partially offset by (vii) a $1.1 million decrease in legal and professional expenses.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

General and administrative expenses increased by $205.9 million primarily attributable to increases in NewRez volumes. As noted in the “Our Portfolio” section, during the six months ended June 30, 2020, loan origination volume at NewRez was $19.7 billion, up from $6.0 billion in the year prior and loans serviced at NewRez was $277.6 billion, up from $159.2 billion in the prior year. The components of general and administrative expenses that increased as a result of these volumes were as follows: (i) a $119.8 million increase in compensation and benefits expense, (ii) a $11.7 million increase in legal and professional expenses, (iii) a $21.6 million increase in loan origination expenses, (iv) a $7.9 million increase in occupancy expenses, (v) a $6.4 million increase related to technology and software enhancements, (vi) a $17.1 million increase related to an increase in

property maintenance and inspection expense resulting from the acquisition and operations of Guardian, and (vii) a $21.4 million increase in other general and administrative expenses.

Management Fee to Affiliate

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Management fee to affiliate increased by $2.9 million as a result of capital raises subsequent to June 30, 2019.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Management fee to affiliate increased by $6.6 million as a result of capital raises subsequent to June 30, 2019.

Incentive Compensation to Affiliate

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Due to net loss incurred, excluding any unrealized gains or losses from market-to-market valuation changes on investments and debt, during the three months ended June 30, 2020, there was no incentive compensation due to our affiliates.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Due to net loss incurred, excluding any unrealized gains or losses from market-to-market valuation changes on investments and debt, during the six months ended June 30, 2020, there was no incentive compensation due to our affiliates.

Loan Servicing Expense

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Loan servicing expense decreased by $2.2 million primarily due to a decrease of loan servicing expense on Consumer Loans, held-for-investment, attributable to lower unpaid principal balance.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Loan servicing expense decreased by $3.9 million primarily due to a decrease of loan servicing expense on Consumer Loans, held-for-investment, attributable to lower unpaid principal balance.

Subservicing Expense

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Subservicing expense increased $19.2 million as a result of MSR acquisitions that closed subsequent to June 30, 2019 within our servicer subsidiary, NRM (Note 5 to our Condensed Consolidated Financial Statements).

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Subservicing expense increased $45.2 million as a result of MSR acquisitions that closed subsequent to June 30, 2019 within our servicer subsidiary, NRM (Note 5 to our Condensed Consolidated Financial Statements).

Change in Fair Value of Investments

Change in fair value of investments is comprised of the following:

	Three Months Ended June 30,		Increase (Decrease)	Six Months Ended June 30,		Increase (Decrease)
	2020	2019	Amount	2020	2019	Amount
Change in fair value of investments in excess mortgage servicing rights	$ (85)	$ (8,455)	$ 8,370	$ (11,109)	$ (3,828)	$ (7,281)
Change in fair value of investments in excess mortgage servicing rights, equity method investees	(2,052)	(3,276)	1,224	(2,509)	(664)	(1,845)
Change in fair value of investments in mortgage servicing rights financing receivables	(121,520)	(55,411)	(66,109)	(225,631)	(91,790)	(133,841)
Change in fair value of servicer advance investments	16,037	1,388	14,649	(2,712)	9,291	(12,003)
Change in fair value of real estate and other securities	58,598	7,385	51,213	(28,194)	14,064	(42,258)
Change in fair value of residential mortgage loans	99,998	72,393	27,605	(165,246)	81,607	(246,853)
Change in fair value of investments in consumer loans held-for-investment	30,694	—	30,694	(9,223)	—	(9,223)
Change in fair value of derivative instruments	21,106	(40,666)	61,772	(18,876)	(66,426)	47,550
Total	$ 102,776	$ (26,642)	$ 129,418	$ (463,500)	$ (57,746)	$ (405,754)

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 June 30,		Increase (Decrease)	Six Months Ended June 30,		Increase (Decrease)
	2020	2019	Amount	2020	2019	Amount
Changes in interest rates and prepayment rates	$ (1,192)	$ (7,950)	$ 6,758	$ 3,034	$ (17,702)	$ 20,736
Changes in discount rates	—	—	—	(4,015)	9,279	(13,294)
Changes in other factors	1,107	(505)	1,612	(10,128)	4,595	(14,723)
Total	$ (85)	$ (8,455)	$ 8,370	$ (11,109)	$ (3,828)	$ (7,281)

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

The change in fair value of investments in excess mortgage servicing rights during the three months ended June 30, 2020 was relatively flat, with changes in prepayment rates offset by changes in various other factors. In contrast, the three months ended June 30, 2019 resulted in a negative mark-to-market adjustment largely driven by changes in interest rates and prepayment rates.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

The change in fair value of investments in excess mortgage servicing rights during the six months ended June 30, 2020 was negative, mainly driven by an increase in discount rates and changes in various other factors. In contrast, the negative change in fair value during the six months ended June 30, 2019 was mainly driven by changes in interest rates and prepayment rates, offset by a decrease in discount rates and improvements in other factors.

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 June 30,		Increase (Decrease)	Six Months Ended June 30,		Increase (Decrease)
	2020	2019	Amount	2020	2019	Amount
Changes in interest rates and prepayment rates	$ (334)	$ (2,505)	$ 2,171	$ 352	$ (7,465)	$ 7,817
Changes in discount rates	—	—	—	(743)	3,171	(3,914)
Changes in other factors	(1,718)	(771)	(947)	(2,118)	3,630	(5,748)
Total	$ (2,052)	$ (3,276)	$ 1,224	$ (2,509)	$ (664)	$ (1,845)

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

The change in fair value of investments in excess mortgage servicing rights, equity method investees during the three months ended June 30, 2020 was negative, mainly driven by changes in prepayment rates and recapture rates. The change in fair value during the three months ended June 30, 2019 was also negative, largely driven by changes in interest rates and prepayment rates.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

The change in fair value of investments in excess mortgage servicing rights, equity method investees during the six months ended June 30, 2020 was negative, mainly driven by changes in various factors. In contrast, the change in fair value during the six months ended June 30, 2019 was relatively flat, with changes in interest and prepayment rates offset by a decrease in discount rates and improvements in other factors.

Change in Fair Value of Investments in MSR Financing Receivables

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

	Three Months Ended June 30,		Increase (Decrease)	Six Months Ended June 30,		Increase (Decrease)
	2020	2019	Amount	2020	2019	Amount
Changes in interest rates and prepayment rates	$ (37,765)	$ (43,221)	$ 5,456	$ 44,043	$ (94,575)	$ 138,618
Changes in discount rates	—	5,470	(5,470)	(12,744)	39,401	(52,145)
Changes in other factors	(6,556)	22,901	(29,457)	(109,230)	47,262	(156,492)
Total	$ (44,321)	$ (14,850)	$ (29,471)	$ (77,931)	$ (7,912)	$ (70,019)

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

The change in fair value of investments in MSR financing receivables decreased $66.1 million during the three months ended June 30, 2020 compared to the three months ended June 30, 2019. The decrease in the three months ended June 30, 2020 was primarily driven by changes in interest rates and prepayment rates, while the decrease in the three months ended June 30, 2019 was also due to changes in rates but partially offset by an increase in recapture rates and a decrease in discount rates. These changes resulted from changes in estimates regarding the economic outlook caused by COVID-19. The remaining decrease was primarily due to $37.0 million increase in amortization expense as a result of MSR acquisitions that closed subsequent to June 30, 2019.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

The change in fair value of investments in MSR financing receivables decreased $133.8 million during the six months ended June 30, 2020 compared to the six months ended June 30, 2019. $70.0 million of the decrease was related to changes in valuation inputs and assumptions. The change in fair value for the six months ended June 30, 2020 was primarily due to higher delinquency rates, as well as an increase in discount rates. These changes resulted from changes in estimates regarding the economic outlook caused by COVID-19. The change in fair value for the six months ended June 30, 2019 was relatively flat in comparison, with changes in interest rates and prepayment rates being offset by a decrease in discount rates and improvements

in other factors. The remaining decrease was primarily due to $62.9 million increase in amortization expense as a result of MSR acquisitions that closed subsequent to June 30, 2019.

Change in Fair Value of Servicer Advance Investments

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

	Three Months Ended June 30,		Increase (Decrease)	Six Months Ended June 30,		Increase (Decrease)
	2020	2019	Amount	2020	2019	Amount
Changes in interest rates and prepayment rates	$ (200)	$ (706)	$ 506	$ (2,074)	$ (1,704)	$ (370)
Changes in discount rates	12,744	3,944	8,800	—	13,626	(13,626)
Changes in other factors	3,493	(1,850)	5,343	(638)	(2,631)	1,993
Total	$ 16,037	$ 1,388	$ 14,649	$ (2,712)	$ 9,291	$ (12,003)

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

The change in fair value of servicer advance investments during the three months ended June 30, 2020 was positive, largely driven by a decrease in discount rates and improvements in other factors. The change in fair value was also positive during the three months ended June 30, 2019, mainly driven by a decrease in the discount rates, partially offset by changes in interest rates, prepayment rates and other factors.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

The change in fair value of servicer advance investments during the six months ended June 30, 2020 was negative, mainly driven by changes in interest and prepayment rates. The change in fair value during the six months ended June 30, 2019 was positive, mainly driven by a decrease in the discount rate, partially offset by changes in interest rates, prepayment rates and other factors.

Change in Fair Value of Real Estate and Other Securities

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

The change in fair value of investments in real estate and other securities increased $51.2 million, primarily due to the partial reversal of unrealized losses that were recognized during the first quarter of 2020. This reversal can be attributable to an improved economic outlook as the broad market saw spreads tighten significantly relative to the levels present during the initial onset of COVID-19.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

The change in fair value of investments in real estate and other securities decreased $42.3 million, primarily due to the impact of the COVID-19 pandemic on financial markets in the first quarter of 2020.

Change in Fair Value of Residential Mortgage Loans

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

The change in fair value of investments in Residential Mortgage Loans increased $27.6 million primarily due to (i) a $78.2 million increase due to less realization of gain through securitizations and (ii) a $22.6 million increase in unrealized gain on loan originations, offset by (iii) a $73.4 million decrease related to changes in valuation inputs and assumptions primarily resulted from changes in estimates regarding the economic outlook caused by COVID-19.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

The change in fair value of investments in Residential Mortgage Loans decreased $246.9 million primarily due to (i) a $379.3 million decrease related to changes in valuation inputs and assumptions primarily resulted from changes in estimates regarding

the economic outlook caused by COVID-19, offset by (ii) a $105.3 million increase due to less realization of gain through securitizations, and (iii) a $28 million increase in unrealized gain on loan originations.

Change in Fair Value of Investments in Consumer Loans Held-for-Investment

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Change in fair value of investments in consumer loans held-for-investment increased $30.7 million due to changes in valuation inputs and assumptions related to the economic outlook caused by COVID-19. Fair value option was elected as of January 1, 2020.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Change in fair value of investments in consumer loans held-for-investment decreased $9.2 million due to changes in valuation inputs and assumptions related to the economic outlook caused by COVID-19. Fair value option was elected as of January 1, 2020.

Change in Fair Value of Derivative Instruments

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Change in fair value of derivative instruments increased $61.8 million. The increase was primarily related to a $61.8 million change from unrealized loss to unrealized gain on Interest Rate Swaps largely resulting from a favorable change in the forward LIBOR curve at June 30, 2020.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Change in fair value of derivative instruments increased $47.6 million. The increase was primarily related to (i) a $50.3 million decrease in unrealized loss on Interest Rate Swaps largely resulting from a favorable change in the forward LIBOR curve at June 30, 2020. The increase was partially offset by (ii) a $2.7 million decrease in unrealized gain on TBAs.

Gain (Loss) on Settlement of Investments, Net

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Gain (loss) on settlement of investments, net decreased by $80.5 million, primarily related to (i) a $47.7 million change from gain to loss realized upon sale of Agency and Non-Agency real estate securities, (ii) a $53.9 million change from realized gain to loss realized upon the sale of residential mortgage loans, (iii) a $15.6 million change from gain to loss on collapse and (iv) a $0.7 million decrease in realized on gain on mortgage servicing rights. The decrease was partially offset by, (v) a $20.0 million decrease in the loss on settlement of derivatives, (vi) a $3.9 million increase in realized gain on liquidated residential mortgage loans, held-for-investment, (vii) a $8.5 million increase in the gain on extinguishment of debt and (viii) a $5.0 million change from loss to gain on sale of REO.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Gain (loss) on settlement of investments, net decreased by $837.3 million, primarily related to (i) an $867.4 million change from gain to loss realized upon sale of Agency and Non-Agency real estate securities driven by sales during the first quarter of 2020 as we managed our way through the bond market's reaction to the COVID-19 outbreak. The decrease was furthered by (ii) a $21.8 million decrease in gain on sale of residential mortgage loans, net and (iii) a $0.7 million decrease in realized gain on collapse. The decrease was offset by, (iv) a $28.3 million decrease in loss on settlement of derivatives, (v) a $7.9 million change from loss to gain on sale of REO, (vi) a $5.5 million increase in realized gain on liquidated residential mortgage loans,

held-for-investment, (vii) a $9.9 million change from loss to gain on extinguishment of debt, and (viii) a $1.0 million increase in realized gain on the sale of mortgage servicing rights.

Earnings from Investments in Consumer Loans, Equity Method Investees

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Earnings from investments in Consumer Loans, Equity Method Investees increased $2.7 million as the investments were fully distributed as of December 31, 2019, therefore no longer earning income during fiscal year 2020. There was a loss during the three months ended June 30, 2019.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Earnings from investments in Consumer Loans, Equity Method Investees decreased $1.7 million as the investments were fully distributed as of December 31, 2019, therefore no longer earning income during fiscal year 2020. The investments earned $1.7 million during the six months ended June 30, 2019.

Other Income (Loss), Net

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Other income (loss), net decreased by $1 million, primarily attributable to (i) a $11 million increase in provision for servicing losses, (ii) a $9.4 million increase in loss on notes and bonds payable, (iii) a $2.6 million increase in unrealized loss on equity investments primarily due to fair value write down of the TSX commercial project investment driven by changes in estimates regarding the economic outlook caused by COVID-19, and (iv) a $0.5 million decrease in gain on Ocwen common stock. The decrease was partially offset by (v) a $20 million increase in rental and ancillary revenue related to our growing rental portfolio and the Guardian acquisition in the third quarter of 2019, (vi) a $2.5 million change from other loss to other income, and (vii) a $0.4 million decrease in loss on contingent consideration.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Other income (loss), net decreased by $43.5 million, primarily attributable to (i) a $47.5 million increase in unrealized loss on equity investments primarily due to fair value write down of the TSX commercial project investment driven by changes in estimates regarding the economic outlook caused by COVID-19, (ii) a $19.5 million change from other income to other loss, (iii) a $15.1 million increase in provision for servicing losses, (iv) a $8.4 million change from gain to loss on Ocwen common stock, and (v) a $2.3 million decrease in gain on transfer of loans to REO. The decrease was partially offset by (vi) a $39.7 million increase in rental and ancillary revenue related to our growing rental portfolio and the Guardian acquisition in the third quarter of 2019, (vii) an $8.7 million change from unrealized loss to unrealized gain on notes and bonds payable, and (viii) a $0.9 million decrease in unrealized losses on contingent consideration.

Provision (Reversal) for Credit Losses on Securities

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

The provision (reversal) for credit losses on securities decreased by $34 million primarily resulting from a reversal of credit losses on securities during the three months ended June 30, 2020. Effective January 1, 2020, these securities are accounted for in accordance with the new credit loss accounting standard CECL (Notes 1 and 7 to our Condensed Consolidated Financial Statements). The CECL provision in the first quarter of 2020 was impacted by the significant deterioration in macroeconomic forecasts between the January 1 and the March 31 quarter end due to the economic disruption caused by the COVID-19 pandemic. The negative effect of these market conditions was lessened during the three months ended June 30, 2020 leading to the reversal of credit losses on securities. Our provision is inherently based on assumptions and estimates, and adjustments to such assumptions may affect our future results. Consequently, forecasts that indicate improving economic conditions may result in a reversal in previously recognized provision for credit losses.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

The provision (reversal) for credit losses on securities increased by $2.6 million primarily resulting from a decline in fair values on Non-Agency RMBS purchased with existing credit impairment. The impairment is a result of the fair value falling below their amortized cost basis for these securities as of June 30, 2020. Effective January 1, 2020, these securities are accounted for

in accordance with the new credit loss accounting standard CECL (Notes 1 and 7 to our Condensed Consolidated Financial Statements). The CECL provision for the six months ended June 30, 2020 was impacted by the significant deterioration in macroeconomic forecasts between the January 1 and the March 31 due to the economic disruption caused by the COVID-19 pandemic. Our provision is inherently based on assumptions and estimates, and adjustments to such assumptions may negatively affect our future results. Consequently, forecasts that indicate weak or deteriorating economic conditions may result in a higher provision for credit losses.

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

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

The $10.0 million decrease in the valuation and loss provision (reversal) on loans and real estate owned resulted from (i) a $1.2 million decrease in impairment on residential mortgage loans related to changes in interest rates and improved performance, (ii) a $1.2million decrease in impairment on certain REOs with an increase in home prices, (iii) a $7.6 million decrease in provision due to electing fair value option on consumer loans.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

The $85.2 million increase in the valuation and loss provision (reversal) on loans and real estate owned resulted from (i) a $104.1 million increase in impairment on residential mortgage loans related to changes in interest rates and low performance; offset by (ii) a $0.1million decrease in impairment on certain REOs with an increase in home prices, (iii) a $18.7 million decrease in provision due to electing fair value option on consumer loans.

Income Tax Expense (Benefit)

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Income tax expense (benefit) changed by $39.0 million primarily due to deferred tax expense generated from MSR income and loan origination income.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Income tax expense (benefit) changed by ($173.9) million primarily due to deferred tax benefits resulting from changes in the fair value of loans and MSRs.

Noncontrolling Interests in Income (Loss) of Consolidated Subsidiaries

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Noncontrolling interests in income of consolidated subsidiaries increased by $31.7 million primarily due to (i) a $20.6 million increase in Consumer loan Companies, which are 46.5% owned by third parties, due to positive mark-to-market adjustments, (ii) a $8.3 million increase in other's interest in the net income of the Buyer as a result of positive mark-to-market adjustments in the fair value of the Buyer's assets and higher interest income, and (iii) a $2.8 million increase from the Shelter JVs, driven by higher earnings from originations during the three months ended June 30, 2020.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Noncontrolling interests in income of consolidated subsidiaries increased by $5.3 million primarily due to (i) a $6.9 million increase in Consumer loan Companies, which are 46.5% owned by third parties, due to positive mark-to-market adjustments in fair value, (ii) a $3.8 million increase from the Shelter JVs, driven by higher earnings from originations during the six months

ended June 30, 2020, partially offset by (iii) a $5.4 million decrease in other's interest in the net income of the Buyer as a result of negative mark-to-market adjustments in the fair value of the Buyer's assets and lower interest income.

Dividends on Preferred Stock

Three months ended June 30, 2020 compared to the three months ended June 30, 2019.

Dividend expense of $14.4 million relates to Preferred Series A, Preferred Series B, and Preferred Series C (Note 14 to our Condensed Consolidated Financial Statements) outstanding during the three months ended June 30, 2020. No preferred stock was outstanding during the three months ended June 30, 2019.

Six months ended June 30, 2020 compared to the six months ended June 30, 2019.

Dividend expense of $25.6 million relates to Preferred Series A, Preferred Series B, and Preferred Series C (Note 14 to our Condensed Consolidated Financial Statements) outstanding during the three months ended June 30, 2020. No preferred stock was outstanding during the three months ended June 30, 2019.

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 are cash provided by operating activities (primarily income from servicing and originations), sales of and repayments from our investments, potential debt financing sources, including securitizations, and the issuance of equity securities, when feasible and appropriate.

Our primary uses of funds are the payment of interest, management fees, incentive compensation, servicing and subservicing expenses, outstanding commitments (including margins and mortgage loan originations), other operating expenses, repayment of borrowings and hedge obligations, dividends and funding of future servicer advances, which are expected to increase in the near term due to COVID-19. The ongoing economic impact of the COVID-19 pandemic has resulted in an increase in servicing advances and liquidity demands related to the utilization of forbearance programs offered by the CARES Act. In April 2020, we expanded our committed advance facilities capacity by $1.3 billion, which we believe will be adequate for our needs. We also plan to finance GNMA advances with existing MSR lines and corporate cash flow, and may utilize Ginnie Mae's Pass-Through Assistance Program. In addition, on May 19, 2020, the Company entered into a three-year senior secured term loan facility agreement in the principal amount of $600.0 million, increasing the Company's total cash and cash equivalents at June 30, 2020 to $1.0 billion.

Our ability to utilize funds generated by the MSRs held in our servicer subsidiaries, NRM and NewRez, is subject to and limited by certain regulatory requirements, including maintaining excess capital and related tangible net worth. As of June 30, 2020, approximately $581.1 million of our cash and cash equivalents were held at NRM and NewRez, of which $392.0 million were in excess of regulatory liquidity requirements. NRM and NewRez are expected to maintain compliance with applicable net worth requirements throughout the year. Use of a government-sponsored advance facility, such as Ginnie Mae's Pass-Through Assistance Program could further limit our ability to utilize funds generated by NRM and NewRez.

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 June 30, 2020, we had outstanding repurchase agreements with an aggregate face amount of approximately $9.2 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% - 12% for Agency RMBS, 10% - 80% for Non-Agency RMBS, and 5% - 62% 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, $3.0 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 enhance our ability to source and finance asset acquisitions on attractive terms and access borrowings and the capital markets at attractive levels.

Our ability to fund our operations, meet financial obligations and finance target asset acquisitions may be impacted by our ability to secure and maintain our repurchase agreements, credit facilities and other financing arrangements. Because repurchase agreements and credit facilities are short-term commitments of capital, lender responses to market conditions may make it more difficult for us to renew or replace, on a continuous basis, our maturing short-term borrowings and have imposed, and may continue to impose, more onerous conditions when rolling such financings. If we are not able to renew our existing facilities or arrange for new financing on terms acceptable to us, or if we default on our covenants or are otherwise unable to access funds under our financing facilities or if we are required to post more collateral or face larger haircuts, we may have to curtail our asset acquisition activities and/or dispose of assets.

Issues related to financing are exacerbated in times of significant dislocation in the financial markets, such as those experienced during the first quarter and continuing into the second quarter of 2020 due to the COVID-19 pandemic. While market volatility has subsided in recent weeks, it is possible that volatility may increase again, and our lenders may become unwilling or unable to provide us with financing and we could be forced to sell our assets at an inopportune time when prices are depressed. In addition, if the regulatory capital requirements imposed on our lenders change, they may be required to significantly increase the cost of the financing that they provide to us. Our lenders also have revised and may continue to revise their eligibility requirements for the types of assets they are willing to finance or the terms of such financings, including haircuts and requiring additional collateral in the form of cash, based on, among other factors, the regulatory environment and their management of actual and perceived risk. Moreover, the amount of financing we receive under our repurchase agreements will be directly related to our lenders' valuation of our target assets that cover the outstanding borrowings.

During the first quarter and continuing into the second quarter of 2020, consistent with current conditions in the mortgage REIT industry, we have observed (i) an increase in "haircuts," which represent the difference in percentage terms between the fair value of the collateral and the amount the counterparty will lend and (ii) a mark-down of our mortgage assets held as collateral by our financing counterparties, which resulted in us having to provide additional cash or securities to satisfy higher than historical levels of margin calls (although these conditions have moderately stabilized in recent weeks). We used our cash on hand, a portion of the approximately $389.5 million proceeds from our underwritten public offering of 6.375% Series C Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock in February 2020 and the proceeds from asset sales to meet margin calls. While we have met our margin calls to date, further significant margin calls could have a material adverse effect on our results of operations, financial condition, business, liquidity and ability to make distributions to our stockholders, and could cause the value of our common stock to decline.

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, mortgage loan origination and operating expenses. Our ability to roll over short-term borrowings is critical to our liquidity outlook. We have a significant amount of near-term maturities, which we expect to be able to refinance. If we cannot repay or refinance our debt on favorable terms, we will need to seek out other sources of liquidity. 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):

	June 30, 2020								
						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]	$ 3,897,468	$ 3,897,468	Jul-20 to Sep-20	0.25 %	0.1	$ 3,922,189	$ 4,055,565	$ 4,099,159	6.0
Non-Agency RMBS[E]	1,934,744	1,932,624	Jul-20 to Sep-20	4.28 %	0.2	19,636,467	1,919,715	1,890,120	7.9
Residential Mortgage Loans[F]	3,283,186	3,277,727	Jul-20 to Jun-22	2.95 %	0.6	4,080,121	4,402,356	3,779,405	14.7
Real Estate Owned[G][H]	63,679	63,679	Jul-20 to Jun-22	2.37 %	0.6	N/A	N/A	81,887	N/A
Total Repurchase Agreements	9,179,077	9,171,498		2.08 %	0.3				
Notes and Bonds Payable									
Excess MSRs[I]	294,802	294,802	Feb-22 to Jul-22	4.30 %	1.9	90,541,438	49,457	54,126	5.6
MSRs[J]	2,700,527	2,691,107	Dec-20 to Jul-24	3.66 %	1.3	399,336,160	4,254,897	4,189,180	5.7
Servicer Advance Investments[K]	442,002	442,002	Aug-20 to Apr-21	2.92 %	0.8	467,339	537,388	559,011	6.3
Servicer Advances[K]	2,460,854	2,452,931	Jul-20 to Aug-23	3.59 %	1.7	2,806,803	2,947,678	2,947,678	0.7
Residential Mortgage Loans[L]	285,588	281,898	Jul-20 to Dec-45	5.40 %	17.7	462,589	493,636	444,438	4.3
Consumer Loans[M]	713,594	716,722	May-36	3.26 %	3.6	712,877	717,877	761,456	3.7
Total Notes and Bonds Payable	6,897,367	6,879,462		3.65 %	2.4				
Total/ Weighted Average	$ 16,076,444	$ 16,050,960		2.75 %	1.2				

(A) Net of deferred financing costs.

(B) All debt obligations with a stated maturity through July 31, 2020 were refinanced, extended or repaid.

(C) These repurchase agreements had approximately $30.3 million of associated accrued interest payable as of June 30, 2020.

(D) All of the Agency RMBS repurchase agreements have a fixed rate.

(E) All Non-Agency RMBS repurchase agreements have LIBOR-based floating interest rates. This also includes repurchase agreements and related collateral of $6.1 million and $10.0 million, respectively, on retained consumer loan bonds and of $508.1 million and $650.3 million, respectively, on retained bonds collateralized by Agency MSRs.

(F) Includes $283.0 million of repurchase agreements which bear interest at a fixed rate of 5.53%. All remaining 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 $83.6 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 2.50% and $211.2 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 2.75%. 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: $1,474.0 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 ranging from 2.25% to 8.00%; $46.1 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 $1,180.4 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 MSR financing receivables that secure these notes.

(K) $1.9 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 1.85% to 2.75%. Collateral includes Servicer Advance Investments, as well as servicer advances receivable related to the mortgage servicing rights and MSR financing receivables owned by NRM.

(L) Represents: (i) a $5.1 million note payable to Mr. Cooper which includes a $1.4 million receivable from government agency and bears interest equal to one-month LIBOR plus 2.88%, (ii) $92.0 million fair value of SAFT 2013-1 mortgage-backed securities issued with fixed interest rate of 3.76% (see Note 12 for fair value details), (iii) $170.5 million of MDST Trusts asset-backed notes held by third parties which bear interest equal to 6.61% (see Note 12 for fair value details), and (iv) $18.0 million of asset-backed notes held by third parties which include $0.9 million of REO and bear interest equal to the sum of (i) a floating rate index equal to one-month LIBOR and (ii) a margin of 1.25%.

(M) Includes the SpringCastle debt, which is composed of the following classes of asset-backed notes held by third parties: $634.5 million UPB of Class A notes with a coupon of 3.20% and a stated maturity date in May 2036, $70.4 million UPB of Class B notes with a coupon of 3.58% and a stated maturity date in May 2036, and $8.7 million UPB of Class C notes with a coupon of 5.06% and a stated maturity date in May 2036.

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 $9.2 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):

	Outstanding Balance at June 30, 2020	Six Months Ended June 30, 2020		
		Average Daily Amount Outstanding[A]	Maximum Amount Outstanding	Weighted Average Daily Interest Rate
Repurchase Agreements				
Agency RMBS	$ 3,897,468	$ 8,213,387	$ 31,770,128	1.64 %
Non-Agency RMBS	1,934,744	4,655,652	8,235,316	2.99 %
Residential mortgage loans	3,001,073	3,986,488	5,843,853	2.63 %
Real estate owned	59,682	75,968	110,442	2.74 %
Notes and Bonds Payable				
Excess MSRs	—	50,000	50,000	4.16 %
MSRs	1,963,359	1,680,554	2,059,551	3.82 %
Servicer advances	1,002,856	537,496	583,915	3.00 %
Residential mortgage loans	23,092	152,725	210,366	2.63 %
Total/Weighted Average	$ 11,882,274	$ 19,352,270		2.59 %

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

	Average Daily Amount Outstanding[A]			
	Three Months Ended			
	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020
Repurchase Agreements				
Agency RMBS	$ 10,544,720	$ 14,939,907	$ 15,250,971	$ 1,175,803
Non-Agency RMBS	7,986,868	7,403,488	7,216,191	2,092,963
Residential mortgage loans	3,432,062	2,644,559	4,869,240	3,180,499
Real estate owned	58,390	66,317	75,173	76,763

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

On May 19, 2020, the Company entered into a three-year senior secured term loan facility agreement (the "2020 Term Loan") in the principal amount of $600.0 million. The 2020 Term Loan is guaranteed by certain subsidiaries of the Company and secured by pledges of certain equity interests held by the Company and its subsidiaries. Borrowings under the 2020 Term Loan bear interest at a fixed annual rate of 11.0% and are repayable in quarterly installments of 0.25% of the outstanding principal amount beginning on March 31, 2021. The Company can prepay the 2020 Term Loan in whole or in part prior to maturity without an early termination penalty. The 2020 Term Loan was issued with an original issue discount of 1.0%, or $6.0 million of the principal amount. Fees incurred of approximately $9.0 million were capitalized as debt financing cost.

	June 30, 2020	December 31, 2019
Principal outstanding	$ 600,000	$ —
Less: Unamortized debt discount and issuance costs	(66,617)	—
Net carrying value	$ 533,383	$ —

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

Maturities

Our debt obligations as of June 30, 2020, as summarized in Note 11 to our Condensed Consolidated Financial Statements, had contractual maturities as follows (in thousands):

Year Ending	Nonrecourse[A]	Recourse[B]	Total
July 1 through December 31, 2020	$ 124,259	$ 9,294,111	$ 9,418,370
2021	1,579,934	1,587,088	3,167,022
2022	846,144	577,789	1,423,933
2023	400,000	942,225	1,342,225
2024	—	348,804	348,804
2025 and thereafter	976,090	—	976,090
	$ 3,926,427	$ 12,750,017	$ 16,676,444

(A) Includes repurchase agreements and notes and bonds payable of $1.3 million and $3.9 billion, respectively.
(B) Includes repurchase agreements and notes and bonds payable of $9.2 billion and $3.6 billion, 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 4.9% and (2.4)%, respectively, and for Residential Mortgage Loans and Real Estate Owned were 13.1% and 22.2%, respectively, during the six months ended June 30, 2020.

Borrowing Capacity

The following table represents our borrowing capacity as of June 30, 2020 (in thousands):

Debt Obligations/ Collateral	Borrowing Capacity	Balance Outstanding	Available Financing[A]
Repurchase Agreements			
Residential mortgage loans and REO	$ 5,698,258	$ 1,658,270	$ 4,039,988
New Loan Origination	4,035,000	1,688,596	2,346,404
Notes and Bonds Payable			
Excess MSRs	100,000	83,565	16,435
MSRs	1,608,000	1,520,089	87,911
Servicer advances	5,120,000	2,902,857	2,217,143
Residential Mortgage Loans	650,000	17,967	632,033
	$ 17,211,258	$ 7,871,344	$ 9,339,914

(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.

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 June 30, 2020.

Stockholders' Equity

Preferred Stock

Pursuant to our certificate of incorporation, we are authorized to designate and issue up to 100.0 million shares of preferred stock, par value of $0.01 per share, in one or more classes or series.

The table below summarizes Preferred Shares:

Series	Number of Shares	Liquidation Preference	Issuance Discount	Carrying Value	Dividends Declared per Share	
					Three Months Ended June 30, 2020	Six Months Ended June 30, 2020
Fixed-to-floating rate cumulative redeemable preferred:						
Preferred Series A, 7.50% Issued July 2019	6,210	$ 155,250	3.15 %	$ 150,026	$ 0.47	$ 0.94
Preferred Series B, 7.125% Issued August 2019	11,300	282,500	3.15 %	273,418	$ 0.45	$ 0.89
Preferred Series C, 6.375% Issued February 2020	16,100	402,500	3.15 %	389,548	$ 0.40	$ 0.80
Total	33,610	$ 840,250		$ 812,992		

Our Preferred Series A, Preferred Series B, and Preferred Series C rank senior to all classes or series of our common stock and to all other equity securities issued by us that expressly indicate are subordinated to the Preferred Series A, Preferred Series B, and Preferred Series C with respect to rights to the payment of dividends and the distribution of assets upon our liquidation, dissolution or winding up. Our Preferred Series A, Preferred Series B, and Preferred Series C have no stated maturity, are not subject to any sinking fund or mandatory redemption and rank on parity with each other. Under certain circumstances upon a change of control, our Preferred Series A, Preferred Series B, and Preferred Series C are convertible to shares of our common stock.

From and including, July 2, 2019, August 15, 2019, and February 14, 2020 but excluding, August 15, 2024 and February 15, 2025, holders of shares of our Preferred Series A, Preferred Series B, and Preferred Series C are entitled to receive cumulative cash dividends at a rate of 7.50%, 7.125%, and 6.375% per annum of the $25.00 liquidation preference per share (equivalent to $1.875, $1.781, and $1.600 per annum per share), respectively, and from and including August 15, 2024 and February 15, 2025, at a floating rate per annum equal to the three-month LIBOR plus a spread of 5.802%, 5.640%, and 4.969% per annum, respectively. Dividends are payable quarterly in arrears on or about the 15th day of each February, May, August and November.

The Preferred Series A and Preferred Series B will not be redeemable before August 15, 2024 and the Preferred Series C will not be redeemable before February 15, 2025, except under certain limited circumstances intended to preserve our qualification as a REIT for U.S. federal income tax purposes and except upon the occurrence of a Change of Control (as defined in the Certificate of Designations). On or after August 15, 2024 for the Preferred Series A and Preferred Series B and February 15, 2025 for the Preferred Series C, we may, at our option, upon not less than 30 nor more than 60 days' written notice, redeem the Preferred Series A, Preferred Series B, and Preferred Series C, in whole or in part, at any time or from time to time, for cash at a redemption price of $25.00 per share, plus any accumulated and unpaid dividends thereon (whether or not authorized or declared) to, but excluding, the redemption date, without interest.

Common Stock

Approximately 2.4 million shares of our common stock were held by Fortress, through its affiliates, and its principals as of June 30, 2020.

In February 2019, we issued 46.0 million shares of our common stock in a public offering at a price to the public of $16.50 per share for net proceeds of approximately $751.7 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 4.6 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 2.40% risk-free rate, a 9.30% dividend yield, 19.26% volatility and a 10-year term.

On August 20, 2019, we announced that our board of directors had authorized the repurchase of up to $200.0 million of our common stock through December 31, 2020. Repurchases may be made at any time and from time to time through open market purchases or privately negotiated transactions, pursuant to one or more plans established pursuant to Rule 10b5-1 under the Exchange Act, by means of one or more tender offers, or otherwise, in each case, as permitted by securities laws and other legal and contractual requirements. The amount and timing of the purchases will depend on a number of factors including the price and availability of our shares, trading volume, capital availability, our performance and general economic and market conditions. The share repurchase program may be suspended or discontinued at any time. No share repurchases have been made as of the filing of this report. Repurchases may impact our financial results, including fees paid to our Manager.

As of June 30, 2020, our outstanding options had a weighted average exercise price of $16.31. Our outstanding options as of June 30, 2020 were summarized as follows:

Held by the Manager	10,860,706
Issued to the Manager and subsequently assigned to certain of the Manager's employees	3,560,949
Issued to the independent directors	7,000
Total	14,428,655

Accumulated Other Comprehensive Income (Loss)

During the six months ended June 30, 2020, 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, 2019	$ 682,151
Net unrealized gain (loss) on securities	90,773
Reclassification of net realized (gain) loss on securities into earnings	(742,194)
Accumulated other comprehensive income, June 30, 2020	$ 30,730

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 six months ended June 30, 2020, we recorded net unrealized losses on our real estate securities due to widening credit spreads, changes in collateral performance, and other factors related specifically to certain investments. We recorded credit impairment charges of $19.0 million with respect to real estate securities and realized losses of $761.2 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.

Consistent with our intention to enhance our liquidity and strengthen our cash position to take advantage of opportunities when market conditions stabilize, and in light of our expectations with respect to our anticipated future performance, including as a result of our current asset mix and leverage profile, during the first quarter of 2020, our board of directors adjusted the quarterly cash dividend on our shares of common stock to $0.05 per share from $0.50 per share. During the second quarter of 2020, our board of directors adjusted the quarterly cash dividend on our shares of common stock to $0.10 per share from $0.05 per share.

We will continue to monitor market conditions and the potential impact the ongoing volatility and uncertainty may have on our business. Our board of directors will continue to evaluate the payment of dividends as market conditions evolve, and no

definitive determination has been made at this time. While the terms and timing of the approval and declaration of cash dividends, if any, on shares of our capital stock is at the sole discretion of our board of directors and we cannot predict how market conditions may evolve, we intend to distribute to our stockholders an amount equal to at least 90% of our REIT taxable income determined before applying the deduction for dividends paid and by excluding net capital gains consistent with our intention to maintain our qualification as a REIT under the Code.

Common Dividends Declared for the Period Ended	Paid/Payable	Amount Per Share
September 30, 2019	October 2019	$ 0.50
December 31, 2019	January 2020	$ 0.50
March 31, 2020	April 2020	$ 0.05
June 30, 2020	July 2020	$ 0.10

Cash Flow

Operating Activities

Net cash flows provided by operating activities increased approximately $3.1 billion for the six months ended June 30, 2020 as compared to the six months ended June 30, 2019. Operating cash flows for the six months ended June 30, 2020 primarily consisted of proceeds from sales and principal repayments of purchased residential mortgage loans, held-for-sale of $22.2 billion, servicing fees received of $749.8 million, net recoveries of servicer advances receivable of $365.1 million, and net interest income received of $464.4 million. Operating cash outflows primarily consisted of purchases of residential mortgage loans, held-for-sale of $1.1 billion, originations of $19.0 billion, incentive compensation and management fees paid to the Manager of $337.7 million, income taxes paid of $0.1 million, subservicing fees paid of $245.8 million and other outflows of approximately $445.5 million including general and administrative costs and loan servicing fees.

Investing Activities

Cash flows provided by (used in) investing activities were $16.4 billion for the six months ended June 30, 2020. Investing activities consisted primarily of the acquisition of MSRs, real estate securities, and the funding of servicer advances, net of proceeds from the sale of real estate securities, principal repayments from Servicer Advance Investments, MSRs, real estate securities and loans as well as proceeds from the sale of real estate securities, loan, REOs, and derivative cash flows.

Financing Activities

Cash flows provided by (used in) financing activities were approximately $(18.7) billion during the six months ended June 30, 2020. Financing activities consisted primarily of borrowings net of repayments under debt obligations, margin deposits net returns of margin under repurchase agreements and derivatives, 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 $1.7 billion. As of June 30, 2020, there was $14.8 billion in total outstanding unpaid principal balance of residential mortgage loans underlying such securitization trusts that represent off-balance sheet financings.

We did not have any other off-balance sheet arrangements as of June 30, 2020. 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 June 30, 2020 included all of the material contractual obligations referred to in our annual report on Form 10-K for the year ended December 31, 2019, 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 six months ended June 30, 2020:

- *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 15 and 17 to our Condensed Consolidated Financial Statements included in this report for information regarding commitments and material contracts entered into subsequent to June 30, 2020, if any. As described in Note 15, 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 $266.0 million of unfunded and available revolving credit privileges as of June 30, 2020. 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 our 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 five 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, (iv) our realized and unrealized gains or losses on our investments, including any impairment or reserve for expected credit losses and (v) income from our origination and servicing businesses. "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.

Beginning January 1, 2020, our investments in consumer loans are accounted for under the fair value option. Core Earnings adjusts earnings on the consumer loans to a level yield to present income recognition across the consumer loan portfolio in the manner in which it is economically earned, to 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.

Since the third quarter of 2018, as a result of the Shellpoint Acquisition, we, through our wholly owned subsidiary, NewRez, originate 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, we report 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 segments 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.

Beginning with the third quarter of 2019, as a result of the continued evaluation of how Shellpoint operates its business and its impact on our operating performance, core earnings includes Shellpoint's GAAP net income with the exception of the unrealized gains or losses due to changes in valuation inputs and assumptions on MSRs owned by NewRez, and non-capitalized transaction-related expenses. This change was not material to core earnings for the quarter ended September 30, 2019.

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 and reserves, 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 and reserves for expected credit losses), (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 flows provided by operations and net income, see "Management's Discussion and Analysis of Financial Condition and Results of Operations—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, except share and per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net (loss) income attributable to common stockholders	$ (8,868)	$ (31,943)	$ (1,611,183)	$ 113,651
Adjustments for Non-Core Earnings:				
Impairment	(21,710)	22,311	122,935	35,107
Change in fair value of investments	(27,516)	189,150	928,016	154,271
(Gain) loss on settlement of investments, net	81,382	(4,640)	892,853	38,527
Other (income) loss	47,366	31,031	90,950	25,037
Other Income and Impairment attributable to non-controlling interests	19,332	(5,626)	(2,947)	(8,058)
Non-capitalized transaction-related expenses	14,195	9,284	31,097	16,150
Incentive compensation to affiliate	—	—	—	12,958
Preferred stock management fee to affiliate	3,048	—	5,343	—
Deferred taxes	25,277	(21,599)	(141,640)	24,732
Interest income on residential mortgage loans, held-for-sale	8,424	23,888	20,567	26,189
Limit on RMBS discount accretion related to called deals	—	—	—	(19,556)
Adjust consumer loans to level yield	(995)	7,815	(1,510)	2,962
Core earnings of equity method investees:				
Excess mortgage servicing rights (Note 4)	265	87	4,090	2,115
Core Earnings	$ 140,200	$ 219,758	$ 338,571	$ 424,085
Net Income Per Diluted Share	$ (0.02)	$ (0.08)	$ (3.88)	$ 0.28
Core Earnings Per Diluted Share	$ 0.34	$ 0.53	$ 0.81	$ 1.05
Weighted Average Number of Shares of Common Stock Outstanding, Diluted	415,661,782	415,463,757	415,625,468	402,239,438

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, mortgage basis spread risk, prepayment rate 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.

Fair Value Impact

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, MSR 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, MSR 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.

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.

LIBOR and other indices which are deemed "benchmarks" are the subject of recent national, international, and other regulatory guidance and proposals for reform, and it appears likely that LIBOR will be phased out or the methodology for determining LIBOR will be modified by 2021. We currently have agreements that are indexed to LIBOR and are monitoring related reform proposals and evaluating the related risks; however, it is not possible to predict the effects of any of these developments, and any future initiatives to regulate, reform or change the manner of administration of LIBOR could result in adverse consequences to the rate of interest payable and receivable on, market value of and market liquidity for LIBOR-based financial instruments. See Part I, Item 1A, Risk Factors-Risks Related to Our Business-Changes in banks' inter-bank lending rate reporting practices or how the method pursuant to which LIBOR is determined may adversely affect the value of the financial obligations to be held or issued by us that are linked to LIBOR.

The table below provides comparative estimated changes in our book value based on a parallel shift in the yield curve (assuming an unchanged mortgage basis) including changes in our book value resulting from potential related changes in discount rates.

	June 30, 2020	March 31, 2020
Interest rate change (bps)	**Estimated Change in Fair Value ($mm)**	**Estimated Change in Fair Value ($mm)**
+50bps	+195.0	+$326.5
+25bps	+96.7	+$165.1
-25bps	-96.70	-168.80
-50bps	-185.80	-341.50

Mortgage Basis Spread Risk

Mortgage basis measures the spread between the yield on current coupon mortgage backed securities and benchmark rates including treasuries and swaps. The level of mortgage basis is driven by demand and supply of mortgage backed instruments relative to other rate-sensitive assets. Changes in the mortgage basis have an impact on prepayment rates driven by the ability of borrowers underlying our portfolio to refinance. A lower mortgage basis would imply a lower mortgage rate which would increase prepayment speeds due to higher refinance activity and, therefore, lower fair value of our mortgage portfolio. The mortgage basis is also correlated with other spread products such as corporate credit, and in the crisis of the last decade it was at a generational wide not seen before or since. The table below provides comparative estimated changes in our book value based on changes in mortgage basis.

	June 30, 2020	March 31, 2020
Interest rate change (bps)	**Estimated Change in Fair Value ($mm)**	**Estimated Change in Fair Value ($mm)**
+20bps	+79.0	+$128.1
+10bps	+39.5	+$64.3
-10bps	-39.50	-64.90
-20bps	-79.00	-130.50

Prepayment Rate Exposure

Prepayment rates significantly affect the value of MSRs, MSR 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, MSR 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, MSR 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 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, MSR 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. We do not expect to encounter credit risk in our Agency RMBS, and 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, MSR 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 June 30, 2020 given several parallel shifts in the discount rate, prepayment rate, delinquency rate and recapture rate (dollars in thousands):

Fair value at June 30, 2020	$ 186,928			
Discount rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 199,423	$ 192,965	$ 181,277	$ 175,977
Change in estimated fair value:				
Amount	$ 12,495	$ 6,037	$ (5,651)	$ (10,951)
%	6.7 %	3.2 %	(3.0)%	(5.9)%
Prepayment rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 196,372	$ 191,331	$ 183,009	$ 179,491
Change in estimated fair value:				
Amount	$ 9,444	$ 4,403	$ (3,919)	$ (7,437)
%	5.1 %	2.4 %	(2.1)%	(4.0)%
Delinquency rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 187,316	$ 187,122	$ 186,735	$ 186,541
Change in estimated fair value:				
Amount	$ 388	$ 194	$ (193)	$ (387)
%	0.2 %	0.1 %	(0.1)%	(0.2)%
Recapture rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 183,206	$ 185,067	$ 188,790	$ 190,651
Change in estimated fair value:				
Amount	$ (3,722)	$ (1,861)	$ 1,862	$ 3,723
%	(2.0)%	(1.0)%	1.0 %	2.0 %

The following table summarizes the estimated change in fair value of our interests in the Non-Agency Excess MSRs owned directly as of June 30, 2020 given several parallel shifts in the discount rate, prepayment rate, delinquency rate and recapture rate (dollars in thousands):

Fair value at June 30, 2020	$ 159,522			
Discount rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 171,554	$ 165,315	$ 154,130	$ 149,101
Change in estimated fair value:				
Amount	$ 12,032	$ 5,793	$ (5,392)	$ (10,421)
%	7.5 %	3.6 %	(3.4)%	(6.5)%
Prepayment rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 169,423	$ 164,210	$ 155,280	$ 151,419
Change in estimated fair value:				
Amount	$ 9,901	$ 4,688	$ (4,242)	$ (8,103)
%	6.2 %	2.9 %	(2.7)%	(5.1)%
Delinquency rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 159,530	$ 159,526	$ 159,518	$ 159,514
Change in estimated fair value:				
Amount	$ 8	$ 4	$ (4)	$ (8)
%	— %	— %	— %	— %
Recapture rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 157,643	$ 158,582	$ 160,462	$ 161,402
Change in estimated fair value:				
Amount	$ (1,879)	$ (940)	$ 940	$ 1,880
%	(1.2)%	(0.6)%	0.6 %	1.2 %

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 June 30, 2020 given several parallel shifts in the discount rate, prepayment rate, delinquency rate and recapture rate (dollars in thousands):

Fair value at June 30, 2020	$ 112,473			
Discount rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 119,197	$ 115,723	$ 109,427	$ 106,568
Change in estimated fair value:				
Amount	$ 6,724	$ 3,250	$ (3,046)	$ (5,905)
%	6.0 %	2.9 %	(2.7)%	(5.3)%
Prepayment rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 117,945	$ 115,027	$ 110,194	$ 108,138
Change in estimated fair value:				
Amount	$ 5,472	$ 2,554	$ (2,279)	$ (4,335)
%	4.9 %	2.3 %	(2.0)%	(3.9)%
Delinquency rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 112,753	$ 112,613	$ 112,333	$ 112,193
Change in estimated fair value:				
Amount	$ 280	$ 140	$ (140)	$ (280)
%	0.2 %	0.1 %	(0.1)%	(0.2)%
Recapture rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 110,784	$ 111,628	$ 113,318	$ 114,162
Change in estimated fair value:				
Amount	$ (1,689)	$ (845)	$ 845	$ 1,689
%	(1.5)%	(0.8)%	0.8 %	1.5 %

MSRs

The following table summarizes the estimated change in fair value of our interests in the Agency MSRs, including MSR financing receivables, owned as of June 30, 2020 given several parallel shifts in the discount rate, prepayment rate, delinquency rate and recapture rate (dollars in thousands):

Fair value at June 30, 2020	$ 3,309,124			
Discount rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 3,526,727	$ 3,414,246	$ 3,210,696	$ 3,118,374
Change in estimated fair value:				
Amount	$ 217,603	$ 105,122	$ (98,428)	$ (190,750)
%	6.6 %	3.2 %	(3.0)%	(5.8)%
Prepayment rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 3,552,550	$ 3,422,936	$ 3,208,037	$ 3,117,579
Change in estimated fair value:				
Amount	$ 243,426	$ 113,812	$ (101,087)	$ (191,545)
%	7.4 %	3.4 %	(3.1)%	(5.8)%
Delinquency rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 3,336,233	$ 3,322,677	$ 3,295,573	$ 3,282,028
Change in estimated fair value:				
Amount	$ 27,109	$ 13,553	$ (13,551)	$ (27,096)
%	0.8 %	0.4 %	(0.4)%	(0.8)%
Recapture rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 3,197,641	$ 3,253,382	$ 3,364,865	$ 3,420,607
Change in estimated fair value:				
Amount	$ (111,483)	$ (55,742)	$ 55,741	$ 111,483
%	(3.4)%	(1.7)%	1.7 %	3.4 %

The following table summarizes the estimated change in fair value of our interests in the Non-Agency MSRs, including MSR financing receivables, owned as of June 30, 2020 given several parallel shifts in the discount rate, prepayment rate, delinquency rate and recapture rate (dollars in thousands):

Fair value at June 30, 2020	$ 1,106,249			
Discount rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 1,206,046	$ 1,153,965	$ 1,062,395	$ 1,021,970
Change in estimated fair value:				
Amount	$ 99,797	$ 47,716	$ (43,854)	$ (84,279)
%	9.0 %	4.3 %	(4.0)%	(7.6)%
Prepayment rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 1,147,770	$ 1,125,769	$ 1,089,178	$ 1,074,896
Change in estimated fair value:				
Amount	$ 41,521	$ 19,520	$ (17,071)	$ (31,353)
%	3.8 %	1.8 %	(1.5)%	(2.8)%
Delinquency rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 1,156,933	$ 1,124,715	$ 1,060,259	$ 1,028,023
Change in estimated fair value:				
Amount	$ 50,684	$ 18,466	$ (45,990)	$ (78,226)
%	4.6 %	1.7 %	(4.2)%	(7.1)%
Recapture rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 1,091,941	$ 1,099,095	$ 1,113,404	$ 1,120,558
Change in estimated fair value:				
Amount	$ (14,308)	$ (7,154)	$ 7,155	$ 14,309
%	(1.3)%	(0.6)%	0.6 %	1.3 %

The following table summarizes the estimated change in fair value of our interests in the Ginnie Mae MSRs, owned as of June 30, 2020 given several parallel shifts in the discount rate, prepayment rate, delinquency rate and recapture rate (dollars in thousands):

Fair value at June 30, 2020	$ 605,713			
Discount rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 649,518	$ 626,806	$ 586,081	$ 567,772
Change in estimated fair value:				
Amount	$ 43,805	$ 21,093	$ (19,632)	$ (37,941)
%	7.2 %	3.5 %	(3.2)%	(6.3)%
Prepayment rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 686,786	$ 643,643	$ 572,024	$ 541,862
Change in estimated fair value:				
Amount	$ 81,073	$ 37,930	$ (33,689)	$ (63,851)
%	13.4 %	6.3 %	(5.6)%	(10.5)%
Delinquency rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 623,146	$ 614,429	$ 597,000	$ 588,290
Change in estimated fair value:				
Amount	$ 17,433	$ 8,716	$ (8,713)	$ (17,423)
%	2.9 %	1.4 %	(1.4)%	(2.9)%
Recapture rate shift in %	-20%	-10%	10%	20%
Estimated fair value	$ 571,331	$ 588,522	$ 622,904	$ 640,095
Change in estimated fair value:				
Amount	$ (34,382)	$ (17,191)	$ 17,191	$ 34,382
%	(5.7)%	(2.8)%	2.8 %	5.7 %

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 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 Stock. However, these categories do overlap and should not be considered exclusive.

Risks Related to Our Business

The COVID-19 pandemic has impacted, and could further adversely impact or disrupt, our business, financial condition and results of operations. The global spread of the COVID-19 outbreak has disrupted, and could further severely disrupt, the U.S. and global economy and financial markets. Any prolonged disruptions could create widespread mortgage loan performance and business continuity and viability issues.

In recent years, the outbreaks of certain highly contagious diseases have increased the risk of a pandemic resulting in economic disruptions. In particular, the COVID-19 pandemic has led to severe disruptions in the market and the global, U.S. and regional economies that may continue for a prolonged duration and trigger a recession or a period of economic slowdown. In response, various governmental bodies and private enterprises have implemented numerous measures to contain the outbreak, such as travel bans and restrictions, quarantines, shelter-in-place orders and shutdowns. These measures, among others, have slowed economic activities, and have led to significant and unprecedented volatility in the financial markets, including the markets in which we compete. The mortgage industry also has been negatively impacted-for example, many industry participants have been subject to margin calls, have suspended or reduced dividends or announced the need to raise additional capital.

In particular, our ability to operate successfully could be adversely impacted due to, but not limited to, the following:

- The outbreak could adversely impact the continued service and availability of skilled personnel, including our executive officers and other members of our management team, employees at our origination and servicing businesses and the servicers and subservicers that we engage, which we refer to as our "Servicing Partners," and other third-party vendors. To the extent our management or other personnel, including those of our Manager, are impacted in significant numbers by the outbreak and are not available to conduct work, our business and operating results may be negatively impacted.

- Continued volatility in the residential credit market have caused and may continue to cause the market value of loans and securities we own subject to financing to decline, and our financing counterparties may make margin calls. In March 2020 we observed a mark-down of a portion of our mortgage assets by the counterparties to our financing arrangements, resulting in us having to use a significant portion of our cash on hand and sell certain assets to satisfy higher than historical levels of margin calls. We cannot assure you that we will not be subject to additional margin calls, that we will have ample liquidity to satisfy any such obligations, that we would be able to sell assets or securities as needed, or that the consideration of such sales will satisfy our obligations. Significant margin calls could have a material adverse effect on our results of operations, financial condition, business, liquidity and ability to make distributions to our stockholders, and could cause the value of our securities to decline.

- The financial impact of the outbreak, including significant and widespread decreases in the fair values of our assets, could cause us to breach the financial covenants under our borrowing facilities or other agreements related to liquidity,

net worth, leverage or other financial metrics. Such covenants, if breached, may require us to immediately repay all outstanding amounts borrowed, if any, under these facilities and these facilities being unavailable to use for future financing needs, as well as triggering cross-defaults under other debt agreements. In any such scenario, we could engage in discussions with our financing counterparties with regard to such covenants; however, we cannot predict whether our financing counterparties will negotiate terms or agreements in respect of these financial covenants, the timing of any such negotiations or agreements or the terms thereof. A continued reduction in our cash flows could impact our ability to continue paying dividends to our stockholders at expected levels or at all.

- Certain actions taken by U.S. or other governmental authorities, including the Federal Reserve, that are intended to ameliorate the macroeconomic effects of COVID-19 may harm our business. Decreases in short-term interest rates, such as those announced by the Federal Reserve in late 2019 and first quarter of 2020, may have a negative impact on our results, as we have certain assets and liabilities which are sensitive to changes in interest rates. Since March 2020, the Federal Reserve has maintained interest rates close to zero in response to COVID-19 pandemic concerns, and the continuation of such low interest rates may negatively affect our results of operations. In addition, a continuing decline in interest rates may result in higher refinancing activity and therefore increase the rate of prepayment on loans underlying our assets, which could have a material adverse effect on our result of operations.

- We could face difficulty accessing debt and equity capital on attractive terms, or at all. In addition, a severe disruption and instability in the global financial markets or deteriorations in credit and financing conditions may adversely affect the valuation of financial assets and liabilities or cause us to reduce the volume of loans we originate and/or service, any of which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

- Rising unemployment levels in the U.S. and other effects of COVID-19 may cause borrowers to experience difficulties in meeting their payment obligations under the mortgage loans, or to seek forbearance on payments, which may result in significant decreases in cash flows. An increase in delinquencies or default would have an adverse impact on the value of our RMBS and MSR assets, as well as increase the cost to service our MSR assets. Furthermore, we expect to see an increase in our servicer advance obligations for which we will need to obtain additional liquidity either through raising additional financing or selling additional assets. In addition, any significant decrease in economic activity or resulting decline in the housing market could have an adverse effect on our investments in mortgage loans, Agency RMBS, Non-Agency RMBS and other real estate assets.

- As a result of the outbreak, we have experienced a decrease in the value of our qualifying REIT assets, and we had to sell a significant portion of such assets in order to satisfy margin calls. We cannot assure you that these and other market developments resulting from COVID-19 will not adversely affect our ability to continue to qualify as a REIT. Although we expect to be able to continue to satisfy the requirements for qualification as a REIT, no assurances can be given that we will be able to do so, or that doing so will not adversely affect our business plan.

- U.S. and other governmental authorities, including FHFA, HUD, and the Federal Reserve, have taken certain actions that are intended to ameliorate the macroeconomic effects of the pandemic, and the potential impact of such actions on our business remains uncertain. For example, on March 27, 2020, the CARES Act was enacted to provide financial assistance to individuals and businesses affected by the COVID-19 pandemic. The CARES Act also provides certain measures to support individuals and businesses in maintaining solvency through monetary relief, including in the form of financing and loan forgiveness/forbearance. The CARES Act, among other things, provides any homeowner with a federally-backed mortgage who is experiencing financial hardship the option of up to six months of forbearance on their mortgage payments, with a potential to extend that forbearance for another six months. During the forbearance period, no additional fees, penalties or interest can accrue on the homeowner's account. The CARES Act also established a temporary moratorium on foreclosures. Unprecedented numbers of forbearances have been requested as a result of the CARES Act and various executive orders and legislation in different states requiring servicers to administer forbearances. Extensive use by the public of the relief provided by the CARES Act can have a negative impact on our financial results. However, none of the programs or legislation currently offer any liquidity initiatives to support servicers' advancing obligations, other than the Pass-Through Assistance Program offered by Ginnie Mae. We may not be eligible for any such relief and there is no assurance that any of these relief programs or initiatives will be effective, sufficient or otherwise have a positive impact on our business.

- To the extent we elect or are required to make temporary or lasting changes involving the status, practices and procedures of our operating businesses, including with respect to loan origination and servicing activities, we may strain our relationships with business partners, customers and counterparties, breach actual or perceived obligations to

them, and be subject to litigation and claims from such partners, customers and counterparties, any of which could have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.

The extent of the pandemic's effect on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, as well as the related economic impacts, all of which remain uncertain and difficult to predict. Due to the speed with which the situation is developing, we are not able at this time to estimate the ultimate effect of these and other unforeseen factors on our business, but the adverse impact on our business, results of operations, financial condition and cash flows could be material. A prolonged impact of COVID-19 could also heighten many of the other risks described in this report.

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, satisfy our debt obligations 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 performance of our origination and servicing businesses, the availability of adequate short- and long-term financing, the ongoing impact of COVID-19 on our business, 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, MSR 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. The significant dislocation in the financial markets due to COVID-19 has caused, among other things, a sharp decrease in interest 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. Depending on how long the pandemic continues to disrupt the economy and employment, our servicing business could experience our cost-to-service increase as we deal with higher delinquencies and foreclosures. However, we have not seen a deterioration in 30-day or 60-day delinquencies at this time. An increase in delinquencies will generally result in lower revenue because typically we will only collect on our interests in MSRs from the Agencies 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.

We are generally required to make servicer advances related to the pools of loans for which we are the named servicer. In addition, we have agreed (in the case of Mr. Cooper, 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."

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 Mr. Cooper, 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 origination 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 Ocwen to transfer its remaining interests in $110.0 billion of UPB of Non-Agency MSRs (the "Ocwen Subject MSRs") to our subsidiaries, New Residential Mortgage, LLC ("NRM") and NewRez LLC ("NewRez"). 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 our subsidiaries, 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 our subsidiaries. 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 our subsidiaries. As of June 30, 2020, MSRs representing approximately $66.7 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 our Condensed Consolidated Financial Statements).

We may be unable to become the named servicer in respect of certain Non-Agency MSRs. 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, Mr. Cooper 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 renew 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, such as a pandemic like COVID-19. 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.

Certain of our subsidiaries originate and service residential mortgage loans, which subject us to various operational risks that could have a negative impact on our financial results.

As a result of our previously disclosed acquisitions of Shellpoint Partners LLC and from assets from the bankruptcy estate of Ditech, among others, certain subsidiaries of New Residential perform various mortgage and real estate related services, and have origination and servicing operations, which entail borrower-facing activities and employing personnel. Prior to such acquisitions, neither we nor any of our subsidiaries have 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 other risks, including, but not limited to those pertaining to:

- risks related to compliance with applicable laws, regulations and other requirements;
- significant increases in delinquencies for the loans;
- compliance with the terms of related servicing agreements;
- financing related servicer advances and the origination business;
- expenses related to servicing high risk loans;
- unrecovered or delayed recovery of servicing advances;
- a general risk in foreclosure rates, which may ultimately reduce the number of mortgages that we service (also see-"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.");
- maintaining the size of the related servicing portfolio and the volume of the origination business;
- compliance with FHA underwriting guidelines; and
- termination of government mortgage refinancing programs.

Any of the foregoing risks, among others, could have a material adverse effect on our business, financial condition, results of operations and liquidity.

Our subsidiaries that perform mortgage lending and servicing activities are subject to extensive regulation by federal, state and local governmental and regulatory authorities, and our subsidiaries' business results may be significantly impacted by the existing and future laws and regulations to which they are subject. If our subsidiaries performing mortgage lending and servicing activities fail to operate in compliance with both existing and future statutory, regulatory and other requirements, our business, financial condition, liquidity and/or results of operations could be materially and adversely affected.

Our subsidiaries that perform mortgage lending and servicing activities are subject to extensive regulation by federal, state and local governmental and regulatory authorities, including the CFPB, the Federal Trade Commission, the U.S. Department of Housing and Urban Development ("HUD"), the U.S. Department of Veterans Affairs ("VA"), the SEC and various state agencies that license, audit, investigate and conduct examinations of such subsidiaries' mortgage servicing, origination, debt collection, and other activities. In the current regulatory environment, the policies, laws, rules and regulations applicable to our subsidiaries' mortgage origination and servicing businesses have been rapidly evolving. Federal, state or local governmental authorities may continue to enact laws, rules or regulations that will result in changes in our and our subsidiaries' business practices and may materially increase the costs of compliance. We are unable to predict whether any such changes will adversely affect our business.

We and our subsidiaries must comply with a large number of federal, state and local consumer protection laws including, among others, the Dodd-Frank Act, the Gramm-Leach-Bliley Act, the Fair Debt Collection Practices Act, Real Estate Settlement Procedures Act, the Truth in Lending Act, the Fair Credit Reporting Act, the Servicemembers Civil Relief Act, the Homeowners Protection Act, the Federal Trade Commission Act, the Telephone Consumer Protection Act, the Equal Credit Opportunity Act, as well as individual state licensing and foreclosure laws and federal and local bankruptcy rules. These statutes apply to many facets of our subsidiaries' businesses, including loan origination, default servicing and collections, use of credit reports, safeguarding of non-public personally identifiable information about customers, foreclosure and claims handling, investment of and interest payments on escrow balances and escrow payment features, and such statutes mandate certain disclosures and notices to borrowers. These requirements can and will change as statutes and regulations are enacted, promulgated, amended, interpreted and enforced.

In addition, the GSEs, Ginnie Mae and other business counterparties subject our subsidiaries' mortgage origination and servicing businesses to periodic examinations, reviews and audits, and we routinely conduct our own internal examinations, reviews and audits. These various examinations, reviews and audits of our subsidiaries' businesses and related activities may reveal deficiencies in such subsidiaries' compliance with our policies and other requirements to which they are subject. While we strive to investigate and remediate such deficiencies, there can be no assurance that our internal investigations will reveal any deficiencies or that any remedial measures that we implement, which could involve material expense, will ensure compliance with applicable policies, laws, regulations and other requirements or be deemed sufficient by the GSEs, Ginnie Mae, federal and local governmental authorities or other interested parties.

We and our subsidiaries devote substantial resources to regulatory compliance and regulatory inquiries, and we incur, and expect to continue to incur, significant costs in connection therewith. Our business, financial condition, liquidity and/or results of operations could be materially and adversely affected by the substantial resources we devote to, and the significant

compliance costs we incur in connection with, regulatory compliance and regulatory inquiries, including any fines, penalties, restitution or similar payments we may be required to make in connection with resolving such matters.

The actual or alleged failure of our mortgage origination and servicing subsidiaries to comply with applicable federal, state and local laws and regulations and GSE, Ginnie Mae and other business counterparty requirements, or to implement and adhere to adequate remedial measures designed to address any identified compliance deficiencies, could lead to:

- the loss or suspension of licenses and approvals necessary to operate our or our subsidiaries' business;
- limitations, restrictions or complete bans on our or our subsidiaries' business or various segments of our business;
- our or our subsidiaries' disqualification from participation in governmental programs, including GSE, Ginnie Mae, and VA programs;
- breaches of covenants and representations under our servicing, debt, or other agreements;
- negative publicity and damage to our reputation;
- governmental investigations and enforcement actions;
- administrative fines and financial penalties;
- litigation, including class action lawsuits;
- civil and criminal liability;
- termination of our servicing and subservicing agreements or other contracts;
- demands for us to repurchase loans;
- loss of personnel who are targeted by prosecutions, investigations, enforcement actions or litigation;
- a significant increase in compliance costs;
- a significant increase in the resources we and our subsidiaries devote to regulatory compliance and regulatory inquiries;
- an inability to access new, or a default under or other loss of current, liquidity and funding sources necessary to operate our business;
- restrictions on our or our subsidiaries' business activities;
- impairment of assets; and
- an inability to execute on our business strategy.

Any of these outcomes could materially and adversely affect our reputation, business, financial condition, prospects, liquidity and/or results of operations.

We cannot guarantee that any such scrutiny and investigations will not materially adversely affect us. Additionally, in recent years, the general trend among federal, state and local lawmakers and regulators has been toward increasing laws, regulations and investigative proceedings with regard to residential mortgage lenders and servicers. The CFPB continues to take an active role in supervising the mortgage industry, and its rule-making and regulatory agenda relating to loan servicing and origination continues to evolve. Individual states have also been increasingly active in supervising non-bank mortgage lenders and servicers such as NewRez, and certain regulators have communicated recommendations, expectations or demands with respect to areas such as corporate governance, safety and soundness, risk and compliance management, and cybersecurity, in addition to their focus on traditional licensing and examination matters.

Following the 2018 Congressional elections, a level of heightened uncertainty exists with respect to the future of regulation of mortgage lending and servicing, including the future of the Dodd-Frank Act and CFPB. We cannot predict the specific legislative or executive actions that may result or what actions federal or state regulators might take in response to potential changes to the Dodd-Frank Act or to the federal regulatory environment generally. Such actions could impact the mortgage industry generally or us specifically, could impact our relationships with other regulators, and could adversely impact our business.

The CFPB and certain state regulators have increasingly focused on the use, and adequacy, of technology in the mortgage servicing industry. For example, in 2016, the CFPB issued a special edition supervision report that stressed the need for mortgage servicers to assess and make necessary improvements to their information technology systems in order to ensure compliance with the CFPB's mortgage servicing requirements. The New York Department of Financial Services ("NY DFS") also issued Cybersecurity Requirements for Financial Services Companies, effective in 2017, which requires banks, insurance companies, and other financial services institutions regulated by the NY DFS to establish and maintain a cybersecurity program designed to protect consumers and ensure the safety and soundness of New York State's financial services industry. In addition, the California Consumer Privacy Act ("CCPA"), effective in January 2020, requires businesses that maintain personal information of California residents, including certain mortgage lenders and servicers, to notify certain consumers when collecting their data, respond to consumer requests relating to the uses of their data, verify the identities of consumers who make requests, disclose details regarding transactions involving their data, and maintain records of consumer' requests relating to their data, among various other obligations, and to create procedures designed to comply with CCPA requirements. The

impact of the CCPA and its implementing regulations on our mortgage origination and servicing businesses remains uncertain, and may result in an increase in legal and compliance costs.

New regulatory and legislative measures, or changes in enforcement practices, including those related to the technology we use, could, either individually or in the aggregate, require significant changes to our business practices, impose additional costs on us, limit our product offerings, limit our ability to efficiently pursue business opportunities, negatively impact asset values or reduce our revenues. Accordingly, any of the foregoing could materially and adversely affect our business and our financial condition, liquidity and results of operations.

A failure to maintain minimum servicer ratings could have an adverse effect on our business, financing activities, financial condition or results of operations.

S&P, Moody's and Fitch rates NewRez as a residential loan servicer, and a downgrade, or failure to maintain, any of our servicer ratings could:

- adversely affect NewRez's ability to maintain our status as an approved servicer by Fannie Mae and Freddie Mac;
- adversely affect NewRez's and/or New Residential's ability to finance servicing advance receivables and certain other assets;
- lead to the early termination of existing advance facilities and affect the terms and availability of advance facilities that we may seek in the future;
- cause NewRez's termination as servicer in our servicing agreements that require that NewRez to maintain specified servicer ratings; and
- further impair NewRez's ability to consummate future servicing transactions.

Any of the above could adversely affect our business, financial condition and results of operations.

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 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 advance receivables 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 advance receivables 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 advance receivables, 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.

Although we have upsized certain of our advance facilities, if we are not successful in upsizing our facilities in the future, we will need to explore other sources of liquidity and are if we are unable to obtain additional liquidity, we may have to take additional actions, including selling assets and reducing our originations to generate liquidity to support our servicer advance obligations.

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 Mr. Cooper, 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, including due to COVID-19, 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:

- the uncertainty and economic impact of the COVID-19 pandemic, including liquidity, impact on the value of assets and availability of financing;
- 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, the full extent of the impact and effects of COVID-19 will depend on future developments, including, among other factors, the duration and spread of the outbreak, along with related travel advisories, quarantines and restrictions, the recovery time of the disrupted supply chains and industries, the impact of labor market interruptions, the impact of government interventions and uncertainty with respect to the duration of the global economic slowdown. Further, 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 June 30, 2020, 25.0% and 22.9% 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. 7.4% 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. In addition, certain states, including California and Florida, have recently reported increasing rates of COVID-19 infections. As of June 30, 2020, 34.9% of the collateral securing our Non-Agency RMBS was located in the Western U.S., 26.1% was located in the Southeastern U.S., 22.6% was located in the Northeastern U.S., 11.0% was located in the Midwestern U.S. and 5.3% was located in the Southwestern U.S. We were unable to obtain geographical information for 0.1% 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 “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 Mr. Cooper 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. The impact of the COVID-19 crisis may impair borrowers' ability to repay their loans, particularly if the impact were to be sustained.

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. The significant dislocation in the financial markets due to COVID-19 has caused, among other things, credit spread widening.

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 June 30, 2020, 51.0% of our Non-Agency RMBS Portfolio consisted of floating rate securities and 49.0% 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, such as during the COVID-19 pandemic, 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 residential mortgage 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.

Our term loan facility places restrictions on us and our subsidiaries, and an event of default would adversely affect our operations and our ability to satisfy other debt obligations.

The three-year senior secured term loan facility agreement entered into on May 19, 2020 (the "2020 Term Loan") contains, and any future indebtedness we may incur may contain, various negative covenants that restrict among other things, our and certain of our subsidiaries' ability to:

- incur, assume or guarantee additional indebtedness;
- create, incur or assume liens;
- enter into agreements that prohibit the creation or assumption of liens;
- prepay certain unsecured or subordinated debt or modifying the terms of such debt;
- pay dividends or make distributions to our stockholders, or repurchase or redeem capital stock;
- make investments or acquisitions;
- merge or consolidate with other companies or sell or transfer all or substantially all of the equity interests or assets of certain of our subsidiaries or the equity interests or assets constituting a business unit, line of business or division;
- enter into transactions with affiliates;
- engage in new lines of business; and
- amend organizational documents.

As a result of these covenants, we are limited in the manner in which we conduct our business and we may be unable to engage in favorable business activities, repurchase shares of our common stock or finance future operations or capital needs. If we are unable to comply with these restrictive covenants and we fail to remedy or avoid a default as permitted under the 2020 Term Loan or other applicable debt arrangement, there would be an "event of default" under the 2020 Term Loan or such arrangement, as applicable.

Other events of default under the 2020 Term Loan include, without limitation, nonpayment of principal or interest, failure to comply with certain financial covenants requiring the maintenance of minimum tangible net worth and cash liquidity, material misrepresentations, insolvency, bankruptcy, certain material judgments, change of control, and cross-events of default on material indebtedness. Upon the occurrence of any event of default under the 2020 Term Loan, the lenders:

- could elect to declare all borrowings outstanding, together with accrued and unpaid interest and fees, to be immediately due and payable;
- could require us to apply all of our available cash to repay these borrowings; or
- could prevent us from making payments on other debt obligations, any of which could result in an event of default under such obligations.

An event of default under the 2020 Term Loan may also trigger a cross-default event of default on a material portion of our other indebtedness, which would permit certain of our other lenders to accelerate our outstanding borrowings with such lenders.

In addition, if we were unable to repay the amounts outstanding under 2020 Term Loan, the lenders and holders of such debt could proceed against the collateral granted to secure the 2020 Term Loan. We have pledged the equity interests in subsidiaries that hold, directly or indirectly, a significant portion of our consolidated assets as collateral to secure such indebtedness. If the lenders under our 2020 Term Loan accelerate the repayment of borrowings, we may not have sufficient assets to repay the 2020 Term Loan and our other indebtedness or be able to borrow sufficient funds to refinance such indebtedness. Any of the foregoing would have a material adverse effect on our business, financial condition and results of operations.

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 advance receivables 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 advance receivables 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.

We are in negotiations with one of our existing lenders to upsize one of our advance facilities. If we are not successful in upsizing our facilities, we will need to explore other sources of liquidity. If we are unable to obtain additional liquidity, we may have to take additional actions, including selling assets and reducing our originations to generate liquidity to support our servicer advance obligations.

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 advance receivables 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 advance receivables 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 challenging 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 advance receivables 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 advance receivables 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 RMBS 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 became effective 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 Act (which, among other things, established 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. In the event that any licensing requirement is applicable to us, and we do not hold such licenses, 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, 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.

Changes in banks' inter-bank lending rate reporting practices or the method pursuant to which LIBOR is determined may adversely affect the value of the financial obligations to be held or issued by us that are linked to LIBOR.

LIBOR and other indices which are deemed "benchmarks" are the subject of recent national, international, and other regulatory guidance and proposals for reform. Some of these reforms are already effective while others are still to be implemented. These reforms may cause such benchmarks to perform differently than in the past, or have other consequences which cannot be predicted. In particular, regulators and law enforcement agencies in the U.K. and elsewhere conducted criminal and civil investigations into whether the banks that contributed information to the British Bankers' Association ("BBA") in connection with the daily calculation of LIBOR may have been under-reporting or otherwise manipulating or attempting to manipulate LIBOR. A number of BBA member banks have entered into settlements with their regulators and law enforcement agencies with respect to this alleged manipulation of LIBOR. LIBOR is calculated by reference to a market for interbank lending that continues to shrink, as it is based on increasingly fewer actual transactions. This increases the subjectivity of the LIBOR calculation process and increases the risk of manipulation. Actions by the regulators or law enforcement agencies, as well as ICE Benchmark Administration (the current administrator of LIBOR), may result in changes to the manner in which LIBOR is determined or the establishment of alternative reference rates. For example, on July 27, 2017, the U.K. Financial Conduct Authority announced that it intends to stop persuading or compelling banks to submit LIBOR rates after 2021.

It is likely that, over time, U.S. Dollar LIBOR will be replaced by the Secured Overnight Financing Rate ("SOFR") published by the Federal Reserve Bank of New York. However, the manner and timing of this shift is currently unknown. SOFR is an overnight rate instead of a term rate, making SOFR an inexact replacement for LIBOR. There is currently no established process to create robust, forward-looking, SOFR term rates. Market participants are still considering how various types of financial instruments and securitization vehicles should react to a discontinuation of LIBOR. It is possible that not all of our assets and liabilities will transition away from LIBOR at the same time, and it is possible that not all of our assets and liabilities will transition to the same alternative reference rate, in each case increasing the difficulty of hedging. Switching existing financial instruments and hedging transactions from LIBOR to SOFR requires calculations of a spread. Industry organizations are attempting to structure the spread calculation in a manner that minimizes the possibility of value transfer between counterparties, borrowers, and lenders by virtue of the transition, but there is no assurance that the calculated spread will be fair and accurate or that all asset types and all types of securitization vehicles will use the same spread. We and other market participants have less experience understanding and modeling SOFR-based assets and liabilities than LIBOR-based assets and liabilities, increasing the difficulty of investing, hedging, and risk management. The process of transition involves operational risks. It is also possible that no transition will occur for many financial instruments, meaning that those instruments would continue to be subject to the weaknesses of the LIBOR calculation process. At this time, it is not possible to predict the effect of any such changes, any establishment of alternative reference rates or any other reforms to LIBOR that may be implemented. Uncertainty as to the nature of such potential changes, alternative reference rates or other reforms may adversely affect the market for or value of any securities on which the interest or dividend is determined by reference to LIBOR, loans, derivatives and other financial obligations or on our overall financial condition or results of operations. More generally, any of the above changes or any other consequential changes to LIBOR or any other "benchmark" as a result of international, national or other proposals for reform or other initiatives or investigations, or any further uncertainty in relation to the timing and manner of implementation of such changes, could have a material adverse effect on the value of and return on any securities based on or linked to a "benchmark."

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.

Cybersecurity incidents and technology disruptions or failures could damage our business operations and reputation, increase our costs and subject us to potential liability.

As our reliance on rapidly changing technology has increased, so have the risks that threaten the confidentiality, integrity or availability of our information systems, both internal and those provided to us by third-party service providers (including, but not limited to, our Servicing Partners). Cybersecurity incidents may involve gaining authorized or unauthorized access to our

information systems for purposes of theft of certain personally identifiable information of consumers, misappropriating assets, stealing confidential information, corrupting data or causing operational disruption. Disruptions and failures of our systems or those of our third-party vendors could result from these incidents or be caused by fire, power outages, natural disasters and other similar events and may interrupt or delay our ability to provide services to our customers, expose us to remedial costs and reputational damage, and otherwise adversely affect our operations. During the COVID-19 outbreak, we have moved approximately 95% of our staff to work-from-home status, which has caused us to rely heavily on virtual communication and may increase our exposure to cybersecurity risks.

Despite our efforts to ensure the integrity of our systems, there can be no assurance that any such cyber incidents will not occur or, if they do occur, that they will be adequately addressed. We also may not be able to anticipate or implement effective preventive measures against all security breaches, especially because the methods and sources of breaches change frequently or may not be immediately detected.

In addition, we are subject to various privacy and data protection laws and regulations, and any changes to laws or regulations, including new restrictions or requirements applicable to our business, could impose additional costs and liability on us and could limit our use and disclosure of such information. For example, the New York State Department of Financial Services requires certain financial services companies, such as NRM and NewRez, to establish a detailed cybersecurity program and comply with other requirements, and the CCPA creates new compliance regulations on businesses that collect information from California residents.

Any of the foregoing events could result in violations of applicable privacy and other laws, financial loss to us or to our customers, loss of confidence in our security measures, customer dissatisfaction, additional regulatory scrutiny, significant litigation exposure and harm to our reputation, any of which could have a material adverse effect on our business, financial condition, liquidity and results of operations.

We depend on counterparties and vendors to provide certain services, which subjects us to various risks.

We have a number of counterparties and vendors, who provide us with financial, technology and other services that support our businesses. If our current counterparties and vendors were to stop providing services to us on acceptable terms, we may be unable to procure alternative services from other counterparties or vendors in a timely and efficient manner and on similarly acceptable terms, or at all. With respect to vendors engaged to perform certain servicing activities, we are required to assess their compliance with various regulations and establish procedures to provide reasonable assurance that the vendor's activities comply in all material respects with such regulations. In the event that a vendor's activities are not in compliance, it could negatively impact our relationships with our regulators, as well as our business and operations. Accordingly, we may incur significant costs to resolve any such disruptions in service which could have a material adverse effect on our business, financial condition, liquidity and results of operations.

We are subject to risks related to securitization of any loans originated and/or serviced by our subsidiaries.

The securitization of any loans that we originate and/or service subject us to various risks that may increase our compliance costs and adversely impact our financial results, including:

- compliance with the terms of the agreements governing the securitized pools of loans, including any indemnification and repurchase provisions;
- reliance on programs administered by, the GSEs, and Ginnie Mae that facilitate the issuance of mortgage-backed securities in the secondary market and the effect of any changes or modifications thereto (see-"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" and -"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"); and
- federal and state legislation in securitizations, such as the risk retention requirements under the Dodd-Frank Act, could result in higher costs of certain lending operations and impose on us additional compliance requirements to meet servicing and origination criteria for securitized mortgage loans.

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.

Our business could suffer if we fail to attract and retain highly skilled personnel.

Our future success will depend on our ability to identify, hire, develop, motivate and retain highly qualified personnel for all areas of the Company, in particular skilled managers, loan officers, underwriters, loan servicers, debt default specialists and other personnel specialized in finance, risk and compliance. Trained and experienced personnel are in high demand and may be in short supply in some areas. We may not be able to attract, develop and maintain an adequate skilled workforce necessary to operate our businesses and labor expenses may increase as a result of a shortage in the supply of qualified personnel. If we are unable to attract and retain such personnel, we may not be able to take advantage of acquisitions and other growth opportunities that may be presented to us and this could have a material adverse effect on our business, financial condition, liquidity and results of operations.

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. The outbreak of COVID-19 has and could continue to have a continued adverse impact on economic and market conditions and trigger a prolonged period of economic slowdown. 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.

Certain aspects of the Dodd-Frank Act remain 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 applicable 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 applicable 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 applicable 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 applicable 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 applicable 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 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. 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 subsidiaries, NRM and NewRez, are or may become subject to significant state and federal regulations.

Subsidiaries of New Residential, NRM and NewRez, have obtained 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 and NewRez's current and expected approvals, NRM and NewRez are 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 and NewRez do business, and subject NRM, NewRez and New Residential to additional costs and regulatory obligations, which could impact our financial results.

NRM and NewRez's business may become subject to increasing regulatory oversight and scrutiny in the future, which may lead to regulatory investigations or enforcement actions, including both formal and informal inquiries, from various state and federal agencies as part of those agencies' supervision of mortgage servicing and origination business activities. An adverse result in governmental investigations or examinations or private lawsuits, including purported class action lawsuits, may adversely affect NRM, NewRez 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 subsidiaries, NRM and NewRez, to obtain or maintain certain licenses and approvals required for NRM or NewRez 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 and NewRez are currently licensed or otherwise eligible to hold MSRs in each applicable state. As a licensees in such states, NRM and NewRez 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 or NewRez licenses by applicable state regulatory authorities, which could in turn result in NRM or NewRez 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 and NewRez have 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. As approved Fannie Mae Servicers, Freddie Mac Servicers and FHA Lenders, NRM and NewRez are required to conduct aspects of their respective operations in accordance with applicable policies and guidelines published by FHA, Fannie Mae and Freddie Mac in order to maintain those approvals. Should NRM or NewRez fail to maintain FHA, Fannie Mae or Freddie Mac approval, NRM or NewRez may be unable to purchase or hold MSRs associated with FHA-insured, Fannie Mae and/or Freddie Mac loans, which could limit our potential business activities.

In addition, NewRez is an approved issuer of mortgage-backed securities guaranteed by Ginnie Mae and services the mortgage loans related to such securities ("Ginnie Mae Issuer"). As an approved Ginnie Mae Issuer, NewRez is required to conduct aspects of its operations in accordance with applicable policies and guidelines published by Ginnie Mae in order to maintain its approvals. Should NewRez fail to maintain Ginnie Mae approval, we may be unable to purchase or hold MSRs associated with Ginnie Mae loans, which could limit our potential business activities.

NRM and NewRez are 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 federal and state laws and regulations. Any failure by NRM or NewRez 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 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. Failure or alleged failure by originators or servicers to comply with these laws and regulations could subject us 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.

In addition to NewRez d/b/a Shellpoint Mortgage Servicing, we 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 and NewRez'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 or NewRez's existing approvals or pending applications by one or more entities or agencies.
- NRM and NewRez are presently licensed, approved, 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 $0.7 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 have engaged and may in the future 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.

In March 2020, the GSEs and HUD announced forbearance policies for GSE loans and government-insured loans for homeowners experiencing financial hardship associated with COVID-19. These announcements were followed by the signing of the CARES Act in March 2020. We may be obligated to make servicing advances to fund scheduled principal, interest, tax and insurance payments during forbearances when the borrower has failed to make such payments, and potentially various other amounts that may be required to preserve the assets being serviced, which 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.

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 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.

Risks Related to our 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, and our preferred stock began trading on the NYSE in July 2019. There can be no assurance that an active trading market for our common and preferred stock will be sustained in the future, and the market price of our common and preferred 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 and preferred 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 or preferred 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. Our preferred stock has, and any additional 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 for our common stock, 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 and we will begin making distributions on our preferred stock issued in July 2019, beginning in November 2019, which will further reduce our 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.

The IRS has issued guidance authorizing elective cash/stock dividends to be made by public REITs where a cap of at least 20% (or, for dividends declared between April 1, 2020, and December 31, 2020, 10%) is placed on the 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)
2.10	Asset Purchase Agreement among New Residential Investment Corp., Ditech Holding Corporation, a Maryland corporation, and Ditech Financial LLC, a Delaware limited liability company, dated June 17, 2019 (incorporated by reference to Exhibit 2.10 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2019)
2.11	Amendment No. 1 to the Asset Purchase Agreement, dated as of July 9, 2019, among New Residential Investment Corp., Ditech Holding Corporation, a Maryland corporation, and Ditech Financial LLC, a Delaware limited liability company (incorporated by reference to Exhibit 2.11 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019)
2.12	Amendment No. 2 to the Asset Purchase Agreement, dated as of August 30, 2019, among New Residential Investment Corp., Ditech Holding Corporation, a Maryland corporation, and Ditech Financial LLC, a Delaware limited liability company (incorporated by reference to Exhibit 2.12 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019)
2.13	Amendment No. 3 to the Asset Purchase Agreement, dated as of September 4, 2019, among New Residential Investment Corp., Ditech Holding Corporation, a Maryland corporation, and Ditech Financial LLC, a Delaware limited liability company (incorporated by reference to Exhibit 2.13 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019)
2.14	Amendment No. 4 to the Asset Purchase Agreement, dated as of September 5, 2019, among New Residential Investment Corp., Ditech Holding Corporation, a Maryland corporation, and Ditech Financial LLC, a Delaware limited liability company (incorporated by reference to Exhibit 2.14 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019)

Exhibit Number	Exhibit Description
2.15	Amendment No. 5 to the Asset Purchase Agreement, dated as of September 6, 2019, among New Residential Investment Corp., Ditech Holding Corporation, a Maryland corporation, and Ditech Financial LLC, a Delaware limited liability company (incorporated by reference to Exhibit 2.15 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019)
2.16	Amendment No. 6 to the Asset Purchase Agreement, dated as of September 9, 2019, among New Residential Investment Corp., Ditech Holding Corporation, a Maryland corporation, and Ditech Financial LLC, a Delaware limited liability company (incorporated by reference to Exhibit 2.16 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019)
2.17	Amendment No. 7 to the Asset Purchase Agreement, dated as of September 17, 2019, among New Residential Investment Corp., Ditech Holding Corporation, a Maryland corporation, and Ditech Financial LLC, a Delaware limited liability company (incorporated by reference to Exhibit 2.17 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019)
2.18	Amendment No. 8 to the Asset Purchase Agreement, dated as of September 30, 2019, among New Residential Investment Corp., Ditech Holding Corporation, a Maryland corporation, and Ditech Financial LLC, a Delaware limited liability company (incorporated by reference to Exhibit 2.18 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2019)
2.19	Amendment No. 9 to the Asset Purchase Agreement, dated as of November 27, 2019, among New Residential Investment Corp., Ditech Holding Corporation, a Maryland corporation, and Ditech Financial LLC, a Delaware limited liability company (incorporated by reference to Exhibit 2.19 to New Residential Investment Corp.'s Annual Report on Form 10-K for the year ended December 31, 2019, filed on February 19, 2020)
2.20	Amendment No. 10 to the Asset Purchase Agreement, dated as of December 12, 2019, among New Residential Investment Corp., Ditech Holding Corporation, a Maryland corporation, and Ditech Financial LLC, a Delaware limited liability company (incorporated by reference to Exhibit 2.20 to New Residential Investment Corp.'s Annual Report on Form 10-K for the year ended December 31, 2019, filed on February 19, 2020)
2.21	Amendment No. 11 to the Asset Purchase Agreement, dated as of January 17, 2020, among New Residential Investment Corp., Ditech Holding Corporation, a Maryland corporation, and Ditech Financial LLC, a Delaware limited liability company (incorporated by reference to Exhibit 2.21 to New Residential Investment Corp.'s Annual Report on Form 10-K for the year ended December 31, 2019, filed on February 19, 2020)
2.22	Amendment No. 12 to the Asset Purchase Agreement, dated as of January 24, 2020, among New Residential Investment Corp., Ditech Holding Corporation, a Maryland corporation, and Ditech Financial LLC, a Delaware limited liability company (incorporated by reference to Exhibit 2.22 to New Residential Investment Corp.'s Annual Report on Form 10-K for the year ended December 31, 2019, filed on February 19, 2020)
2.23	Settlement and Release Agreement, dated as of January 27, 2020, among New Residential Investment Corp., Ditech Holding Corporation, a Maryland corporation, and Ditech Financial LLC, a Delaware limited liability company (incorporated by reference to Exhibit 2.23 to New Residential Investment Corp.'s Annual Report on Form 10-K for the year ended December 31, 2019, filed on February 19, 2020)
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)
3.4	Certificate of Designations of New Residential Investment Corp., designating the Company's 7.50% Series A Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, par value $0.01 per share (incorporated by reference to Exhibit 3.4 to New Residential Investment Corp.'s Form 8-A, filed July 2, 2019)
3.5	Certificate of Designations of New Residential Investment Corp., designating the Company's 7.125% Series B Fixed-to-Floating Rate Cumulative Redeemable Preferred Stock, par value $0.01 per share (incorporated by reference to Exhibit 3.5 to New Residential Investment Corp.'s Form 8-A, filed August 15, 2019)
4.1	Specimen Series A Preferred Stock Certificate (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Form 8-A filed July 2, 2019)
4.2	Specimen Series B Preferred Stock Certificate of New Residential Investment Corp. (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Form 8-A, filed August 15, 2019)

Exhibit Number	Exhibit Description
4.3	Second Amended and Restated Indenture, dated as of September 7, 2018, 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, New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing 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 September 7, 2018)
4.4	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)
4.5	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)
4.6	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)
4.7	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)
4.8	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)
4.9	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)
4.10	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)
4.11	Omnibus Amendment to Certain Agreements Relating to the NRZ Advance Receivables Trust 2015-ON1, dated as of September 7, 2018, 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, New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing 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 September 7, 2018)
4.12	Amendment No. 1 to Series 2018-VF1 Indenture Supplement, dated as of September 7, 2018, 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, New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing, JPMorgan Chase Bank, N.A. 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 September 7, 2018)
4.13	Amendment No. 2 to Series 2018-VF1 Indenture Supplement, dated as of September 28, 2018, 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, New Penn Financial, LLC, d/b/a Shellpoint Mortgage Servicing, JPMorgan Chase Bank, N.A. and New Residential Investment Corp. (incorporated by reference to Exhibit 4.11 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q, filed May 2, 2019)
4.14	Amendment No. 3 to Series 2018-VF1 Indenture Supplement, dated as of March 11, 2019, 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, NewRez LLC d/b/a Shellpoint Mortgage Servicing, 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 15, 2019)

Exhibit Number	Exhibit Description
4.15	Third Amended and Restated Indenture, dated as of July 25, 2019, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, PHH Mortgage Corporation, HLSS Holdings, LLC, New Residential Mortgage LLC, NewRez LLC, d/b/a Shellpoint Mortgage Servicing and Credit Suisse AG, New York Branch (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Form 8-K, filed July 26, 2019)
4.16	Series 2019-T1 Indenture Supplement, dated as of July 25, 2019, to the Third Amended and Restated Indenture, dated as of July 25, 2019, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, PHH Mortgage Corporation, HLSS Holdings, LLC, New Residential Mortgage LLC, NewRez LLC d/b/a Shellpoint Mortgage Servicing, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.2 to New Residential Investment Corp.'s Form 8-K, filed July 26, 2019)
4.17	Series 2019-T2 Indenture Supplement, dated as of August 15, 2019, to the Third Amended and Restated Indenture, dated as of July 25, 2019, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, PHH Mortgage Corporation, HLSS Holdings, LLC, New Residential Mortgage LLC, NewRez LLC d/b/a Shellpoint Mortgage Servicing, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Form 8-K, filed August 16, 2019)
4.18	Series 2019-T3 Indenture Supplement, dated as of September 20, 2019, to the Third Amended and Restated Indenture, dated as of July 25, 2019, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, PHH Mortgage Corporation, HLSS Holdings, LLC, New Residential Mortgage LLC, NewRez LLC d/b/a Shellpoint Mortgage Servicing, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Form 8-K, filed September 20, 2019)
4.19	Series 2019-T4 Indenture Supplement, dated as of October 15, 2019, to the Third Amended and Restated Indenture, dated as of July 25, 2019, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, PHH Mortgage Corporation, HLSS Holdings, LLC, New Residential Mortgage LLC, NewRez LLC d/b/a Shellpoint Mortgage Servicing, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Form 8-K, filed October 18, 2019)
4.20	Series 2019-T5 Indenture Supplement, dated as of October 31, 2019, to the Third Amended and Restated Indenture, dated as of July 25, 2019, by and among NRZ Advance Receivables Trust 2015-ON1, Deutsche Bank National Trust Company, PHH Mortgage Corporation, HLSS Holdings, LLC, New Residential Mortgage LLC, NewRez LLC d/b/a Shellpoint Mortgage Servicing, Credit Suisse AG, New York Branch and New Residential Investment Corp. (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Form 8-K, filed November 6, 2019)
4.21	Form of Debt Securities Indenture (including Form of Debt Security) (incorporated by reference to Exhibit 4.1 to New Residential Investment Corp.'s Registration Statement on Form S-3, filed May 16, 2014)
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)
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)

Exhibit Number	Exhibit Description
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)
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)

Exhibit Number	Exhibit Description
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)
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)

Exhibit Number	Exhibit Description
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 Mortgage LLC and Ocwen Loan Servicing, LLC (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, 2018)
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. (incorporated by reference to Exhibit 10.51 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018)
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 (incorporated by reference to Exhibit 10.54 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018)

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 (incorporated by reference to Exhibit 10.55 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2018)
10.56	Call Rights Letter Agreement, dated as of March 31, 2020, between New Residential Investment Corp. and Fortress Credit Opportunities V Advisors LLC (incorporated by reference to Exhibit 10.56 to New Residential Investment Corp.'s Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020)
10.57	Senior Secured Term Loan Facility Agreement, dated as of May 19, 2020, among New Residential Investment Corp., as Parent and the Borrower, and Certain Subsidiaries of New Residential Investment Corp., as Subsidiary Guarantors, the Lenders Party thereto and Cortland Capital Market Services LLC, as Administrative Agent and Collateral Agent
10.58	Pledge and Security Agreement, dated as of May 19, 2020, among each of the Pledgors Party thereto and Cortland Capital Market Services LLC, as Collateral Agent
10.59	Form of Common Stock Purchase Warrant No. S1, dated May 19, 2020, between New Residential Investment Corp. and Canyon Finance (Cayman) Limited or its permitted assigns
10.60	Form of Common Stock Purchase Warrant No. S2, dated May 19, 2020, between New Residential Investment Corp. and Canyon Finance (Cayman) Limited or its permitted assigns
10.61	Form of Common Stock Purchase Warrant No. S1, dated May 27, 2020, between New Residential Investment Corp. and CF NRS-E LLC or its permitted assigns
10.62	Form of Common Stock Purchase Warrant No. S2, dated May 27, 2020, between New Residential Investment Corp. and CF NRS-E LLC or its permitted assigns
10.63	Registration Rights Agreement, dated May 19, 2020, by and among New Residential Investment Corp. and the Investors set forth on Schedule 1 thereto
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	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, formatted in iXBRL (Inline Extensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets; (ii) Condensed Consolidated Statements of Comprehensive Income; (iii) Condensed Consolidated Statements of Changes in Stockholders' Equity; (iv) Condensed Consolidated Statements of Cash Flows; and (v) Notes to Condensed Consolidated Financial Statements
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

Portions of this exhibit have been omitted pursuant to a request for confidential treatment.

* Portions of this exhibit have been omitted.

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)

July 24, 2020

By: /s/ Nicola Santoro, Jr.
Nicola Santoro, Jr.
Chief Financial Officer and Treasurer
(Principal Financial Officer)

July 24, 2020

Exhibit 10.57

EXECUTION VERSION

Certain identified information marked with "[***]" has been omitted from this document because it is both (i) not material and (ii) would be competitively harmful if publicly disclosed.

SENIOR SECURED TERM LOAN FACILITY AGREEMENT

dated as of May 19, 2020

among

NEW RESIDENTIAL INVESTMENT CORP.,
as Parent and the Borrower,

and

CERTAIN SUBSIDIARIES OF NEW RESIDENTIAL INVESTMENT CORP.,
as Subsidiary Guarantors,

THE LENDERS PARTY HERETO

and

CORTLAND CAPITAL MARKET SERVICES LLC,
as Administrative Agent and Collateral Agent

$600,000,000 Senior Secured Term Loan Facility

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SENIOR SECURED TERM LOAN FACILITY AGREEMENT

This SENIOR SECURED TERM LOAN FACILITY AGREEMENT, dated as of May 19, 2020, is entered into by and among NEW RESIDENTIAL INVESTMENT CORP., a Delaware corporation ("Parent"), CERTAIN SUBSIDIARIES OF NEW RESIDENTIAL INVESTMENT CORP., as Subsidiary Guarantors, THE LENDERS PARTY HERETO FROM TIME TO TIME and CORTLAND CAPITAL MARKET SERVICES LLC ("Cortland"), as Administrative Agent (together with its permitted successors in such capacity, the "Administrative Agent") and as Collateral Agent (together with its permitted successors in such capacity, the "Collateral Agent").

WITNESSETH:

WHEREAS, Parent has requested the Lenders extend credit in the form of term loans on the Effective Date or the Second Draw Date, as applicable, in an aggregate principal amount not in excess of $600,000,000.

WHEREAS, the Lenders are willing to extend such credit to Parent on the terms and subject to the conditions set forth herein.

WHEREAS, the proceeds of the Loans extended by the Lenders hereunder on the Effective Date or the Second Draw Date, as applicable, are to be used in accordance with Section 2.3.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

Section 1.1 Definitions. The following terms used herein, including in the preamble, recitals, exhibits and schedules hereto, shall have the following meanings:

"ACH" has the meaning specified in the definition of Cash Management Obligations.

"Administrative Agent" has the meaning specified in the preamble hereto.

"Adverse Proceeding" means any action, suit, demand, claim, proceeding, hearing (in each case, whether administrative, judicial (civil or criminal) or otherwise), governmental investigation or arbitration (whether or not purportedly on behalf of Parent or any Restricted Subsidiary) at law or in equity, or before or by any Governmental Authority, domestic or foreign, whether pending or, to the knowledge of Parent, threatened against or affecting Parent or any Restricted Subsidiary or any property of Parent or any Restricted Subsidiary.

"Affected Financial Institution" means (a) any EEA Financial Institution or (b) any UK Financial Institution.

"Affiliate" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of that Person, whether through the ability to exercise voting power, by contract or otherwise; provided that, with respect to Parent and its Subsidiaries, the term "Affiliate" shall be deemed to include Fortress Investment Group LLC and its Control Investment Affiliates (other than Debt Fund Affiliates); provided, further, that no Canyon Lender nor any of its Subsidiaries or Affiliates shall be deemed to be Affiliates of Parent or any of its Subsidiaries under this Agreement or the other Loan Documents.

"Affiliated Lender" means, at any time, any Lender that is any Affiliate of Parent, other than any Debt Fund Affiliate.

"Affiliated Lender Assignment Agreement" means an Assignment and Assumption Agreement for an Affiliated Lender substantially in the form of Exhibit D-2, with such amendments or modifications as may be approved by the Administrative Agent in its reasonable discretion.

"Affiliated Lender Cap" has the meaning specified in Section 10.6(h)(iv).

"Agent" means each of the Administrative Agent and the Collateral Agent.

"Agent Fee Letter" means that certain fee letter, dated as of May 19, 2020, by and between Parent and the Administrative Agent

"Aggregate Amounts Due" has the meaning specified in Section 2.13.

"Aggregate Payments" has the meaning specified in Section 7.2.

"Agreement" means this Senior Secured Term Loan Facility Agreement, dated as of May 19, 2020, as it may be amended, restated, supplemented or otherwise modified from time to time in accordance with the terms hereof.

"Allocation" has the meaning specified in Section 2.16(i).

"Anti-Bribery and Anti-Corruption Laws" means applicable laws and regulations addressing prohibitions against improper payments and bribery of officers, directors, employees, agents and affiliates of Governmental Authorities or commercial parties, particularly local laws in effect in the applicable jurisdiction, including, without limitation, Corrupt Practices Laws.

"Anti-Terrorism and Money Laundering Laws" means applicable laws and regulations, including, but not limited to, the PATRIOT Act, (a) prohibiting transactions with Persons who (i) commit, threaten to commit, or support terrorism, and/or (ii) participate in monetary transactions in property derived from specified unlawful activity, or (b) otherwise relating to prohibitions in connection with the illegal laundering of the proceeds of any criminal activity and preventing the funds, proceeds and revenue of Parent, any other Loan Party and their

respective Affiliates from being used in connection with the advancement of criminal activity, including, without limitation, the PATRIOT Act and "know your customer" rules.

"Anticipated Cure Deadline" has the meaning specified in Section 8.2(a).

"ASC" has the meaning specified in the definition of Core Earnings.

"Assignment Agreement" means an Assignment and Assumption Agreement substantially in the form of Exhibit D-1, with such amendments or modifications as may be approved by the Administrative Agent in its reasonable discretion, or, if applicable, an Affiliated Lender Assignment Agreement.

"Assignment Effective Date" has the meaning specified in Section 2.4(b).

"Authorized Officer" means, as applied to any Person, any individual holding the position of chairman of the board (if an officer), chief executive officer, president, chief financial officer or treasurer.

"Available Excess Cash" means, as of the last day of each month, the amount by which (i) the Cash and Cash Equivalents of Parent and its wholly owned Subsidiaries as of the end of such month exceeds (ii) the operating reserves with respect to such month, calculated as set forth on Schedule 1.1(h) (subject to adjustment pursuant to Section 2.10(c)), as reflected in the relevant Compliance Certificate.

"Bail-In Action" means the exercise of any Write-Down and Conversion Powers by the applicable Resolution Authority in respect of any liability of an Affected Financial Institution.

"Bail-In Legislation" means (a) with respect to any EEA Member Country implementing Article 55 of Directive 2014/59/EU of the European Parliament and of the Council of the European Union, the implementing law, regulation rule or requirement for such EEA Member Country from time to time which is described in the EU Bail-In Legislation Schedule and (b) with respect to the United Kingdom, Part I of the United Kingdom Banking Act 2009 (as amended from time to time) and any other law, regulation or rule applicable in the United Kingdom relating to the resolution of unsound or failing banks, investment firms or other financial institutions or their affiliates (other than through liquidation, administration or other insolvency proceedings).

"Bankruptcy Code" means Title 11 of the United States Code entitled "Bankruptcy," as now and hereafter in effect, or any successor statute and all of the rules and regulations issued or promulgated in connection therewith.

"Beneficial Ownership Certification" shall mean a certification regarding beneficial ownership as required by the Beneficial Ownership Regulation.

"Beneficial Ownership Regulation" shall mean 31 C.F.R. § 1010.230.

"Beneficiary" means each Agent and each Lender.

"Big Boy Letter" means a letter from a Lender acknowledging that (a) an Affiliated Lender may have information regarding Parent and its Subsidiaries or Parent and its Subsidiaries' ability to perform the Obligations, or any other material information that has not previously been disclosed to the Agents and the Lenders ("Excluded Information"), (b) the Excluded Information may not be available to such Lender, (c) such Lender has independently and without reliance on any other party made its own analysis and determined to assign Loans to an Affiliated Lender pursuant to Section 10.6(h) notwithstanding its lack of knowledge of the Excluded Information and (d) such Lender waives and releases any claims it may have against the Agents, such Affiliated Lender, Parent and its Subsidiaries with respect to the nondisclosure of the Excluded Information; or otherwise in form and substance reasonably satisfactory to such Affiliated Lender and assigning Lender.

"Board of Governors" means the Board of Governors of the United States Federal Reserve System, or any successor thereto.

"Borrower Materials" has the meaning specified in Section 10.15(b).

"Borrowing" means a borrowing consisting of the same Class of Loans.

"Borrowing Notice" means a written notice executed by an Authorized Officer of Parent substantially in the form of Exhibit A.

"Business Day" means any day excluding Saturday, Sunday and any day which is a legal holiday under the laws of the State of New York or is a day on which banking institutions located in such state are authorized or required by law or other governmental action to close.

"Canyon Lender" means any Lender that is an affiliate or Subsidiary of, or managed by, Canyon Partners, LLC or an affiliate thereof.

"Capitalized Lease Obligation" means, as to any Person, the obligations of such Person under a lease that are required to be classified and accounted for as capital lease obligations under GAAP and, for purposes of this definition, the amount of such obligations at any date shall be the capitalized amount of such obligations at such date, determined in accordance with GAAP.

"Cash" means money, currency or a credit balance on hand or in any demand or Deposit Account.

"Cash Equivalents" means, as at any date of determination, any of the following: (i) securities with maturities of one year or less from the date of acquisition issued or fully guaranteed or insured by the United States Government or any agency thereof; (ii) certificates of deposit and eurodollar time deposits with maturities of 90 days or less from the date of acquisition and overnight bank deposits of any commercial bank having capital and surplus in excess of $500,000,000; (iii) repurchase obligations of any commercial bank satisfying the requirements of clause (ii) of this definition, having a term of not more than seven days with respect to securities issued or fully guaranteed or insured by the United States Government; (iv) commercial paper of a domestic issuer rated at least A-1 or the equivalent thereof by Standard and Poor's Ratings Group ("S&P") or P-1 or the equivalent thereof by Moody's Investors

and Poor's Ratings Group ("S&P") or P-1 or the equivalent thereof by Moody's Investors

Service, Inc. ("Moody's") and in either case maturing within 90 days after the day of acquisition; (v) securities with maturities of 90 days or less from the date of acquisition issued or fully guaranteed by any state, commonwealth or territory of the United States, by any political subdivision or taxing authority of any such state, commonwealth or territory or by any foreign government, the securities of which state, commonwealth, territory, political subdivision, taxing authority or foreign government (as the case may be) are rated at least A by S&P or A by Moody's; (vi) securities with maturities of 90 days or less from the date of acquisition backed by standby letters of credit issued by any commercial bank satisfying the requirements of clause (b) of this definition; or (vii) shares of money market mutual or similar funds which invest exclusively in assets satisfying the requirements of clauses (i) through (vi) of this definition.

"Cash Liquidity" means, as at any date of determination, the aggregate amount of unrestricted Cash and Cash Equivalents of Parent and its Subsidiaries as of such determination date and calculated on a consolidated basis in accordance with GAAP.

"Cash Management Obligations" means obligations of Parent or any Restricted Subsidiary in relation to (i) treasury, depository or cash management services, arrangements or agreements (including, without limitation, credit, debt or other purchase card programs and intercompany cash management services) or any automated clearinghouse ("ACH") transfers of funds (including reimbursement and indemnification obligations with respect to letters of credit or similar instruments), and (ii) netting services, overdraft protections, controlled disbursement, ACH transactions, return items, interstate deposit network services, supplier services, cash pooling and operational foreign exchange management, Society for Worldwide Interbank Financial Telecommunication transfers and similar programs.

"Change in Law" means the occurrence, after the Effective Date (or with respect to any Lender, if later, the date on which such Lender becomes a Lender), of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty; (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority; or (c) the making or issuance of any request, rules, guideline, requirement or directive (whether or not having the force of law) by any Governmental Authority; provided, however, that notwithstanding anything herein to the contrary, (i) the Dodd-Frank Wall Street Reform and Consumer Protection Act and all requests, rules, guidelines, requirements and directives thereunder, issued in connection therewith or in implementation thereof, and (ii) all requests, rules, guidelines, requirements and directives promulgated by the Bank for International Settlements, the Basel Committee on Banking Supervision (or any successor or similar authority) or the United States or foreign regulatory authorities, in each case pursuant to Basel III, shall in each case be deemed a "Change in Law" regardless of the date enacted, adopted, issued or implemented.

"Change of Control" means any Person or "group" (within the meaning of Rules 13d-3 and 13d-5 under the Exchange Act) other than Permitted Holders shall have acquired beneficial ownership or control of 40% or more on a fully diluted basis of the voting and/or economic interest in the Equity Interests of Parent.

"Class" means (i) with respect to Lenders, each of the following classes of Lenders: (a) Lenders having Effective Date Term Loan Exposure, (b) Lenders having Second Draw Term

Loan Exposure and (c) Lenders having New Term Loan Exposure of each applicable Series and (ii) with respect to Loans, each of the following classes of Loans: (a) Effective Date Term Loans, (b) Second Draw Term Loans and (c) each Series of New Term Loans.

"Collateral" means, collectively, all of the property in which Liens are purported to be granted pursuant to the Security Documents as security for the Obligations.

"Collateral Agent" has the meaning specified in the preamble hereto.

"Commitment" means the Effective Date Term Loan Commitment, the Second Draw Term Loan Commitment or the New Term Loan Commitment of a Lender and "Commitments" means such commitments of all Lenders.

"Commodity Agreement" means any commodity futures contract, commodity swap, commodity option or other similar agreement or arrangement designed to protect against fluctuations in the price of commodities or to otherwise manage commodity prices or the risk of fluctuations in commodity prices.

"Compliance Certificate" means a Compliance Certificate substantially in the form of Exhibit C, which provides detailed calculations of compliance by Parent with the financial covenants set forth in Section 6.7 and Available Excess Cash for the relevant period.

"Consolidated" means, when used with reference to financial statements or financial statement items of any Person, such statements or items on a consolidated basis in accordance with, except as otherwise set forth herein, applicable principles of consolidation under GAAP.

"Contractual Obligation" means, as applied to any Person, any provision of any Security issued by that Person or of any indenture, mortgage, deed of trust, contract, undertaking, agreement or other instrument to which that Person is a party or by which it or any of its properties is bound or to which it or any of its properties is subject.

"Contributing Guarantors" has the meaning specified in Section 7.2.

"Control Investment Affiliate" means, as applied to any Person, any other Person (a) directly or indirectly controlling, controlled by, or under common control with, that Person and (b) that exists primarily for the purpose of making equity or debt investments in one or more companies. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of that Person, whether through the ability to exercise voting power, by contract or otherwise.

"Convertible Notes" means debt securities, the terms of which provide for conversion into, or exchangeable for, Equity Interests of Parent, cash in lieu thereof and/or a combination of Equity Interests and cash in lieu thereof.

"Core Earnings" means, for any period, the net income (or loss) of Parent and its Subsidiaries on a Consolidated basis for such period, as adjusted to (a) exclude (i) all

impairments and all realized and unrealized gains or losses (including impairment on unconsolidated investments), (ii) reserves for expected credit losses required under ASU No. 2016-13, Financial Instruments – Credit Losses (Topic 326) – Measurement of Credit Losses on Financial Instruments, (iii) non-capitalized transaction-related expenses, (iv) incentive compensation paid to the Manager, (v) deferred taxes, (vi) amortization of intangibles and (vii) accreted interest income on residential mortgage-backed securities where Parent and its Subsidiaries receive par upon the exercise of associated call rights based on the estimated value of the underlying collateral, net of related costs including advance payments, (b) include (i) accretion on held-for-sale loans and held-for-investment loans accounted for under the fair value option, as if they continued to be held-for investment, (ii) impairment on tangible assets and (iii) realized and unrealized gains or losses included in the servicing and origination segments, and (c) adjust consumer loans accounted for under fair value option, FASB Accounting Standards Codification ("ASC") Nos. 310-20 and 310-30, to a level yield.

"Corrupt Practices Laws" means (i) the United States Foreign Corrupt Practices Act of 1977 (Pub. L. No. 95 213, §§101 104), as amended, (ii) the UK Bribery Act 2010, and (iii) any other anti-corruption laws applicable to Parent and its Subsidiaries and the conduct of their business.

"Cortland" has the meaning specified in the preamble hereto.

"Counterpart Agreement" means a Counterpart Agreement substantially in the form of Exhibit G delivered by a Loan Party pursuant to Section 5.9, with such amendments or modifications as may be approved by the Administrative Agent in its reasonable discretion.

"Credit Enhancement Agreements" means, collectively, any documents, instruments, guarantees or agreements entered into by Parent, any of its Subsidiaries or any Securitization Entity for the purpose of providing credit support (in a manner that is consistent with market practice and a form that is reasonably customary, in each case as determined in good faith by Parent) with respect to any Permitted Funding Indebtedness or Permitted Securitization Indebtedness.

"Cure Amount" has the meaning specified in Section 8.2(a).

"Cure Right" has the meaning specified in Section 8.2(a).

"Currency Agreement" means any foreign exchange contract, currency swap agreement or other agreement or arrangement designed to protect against fluctuations in currency values or otherwise manage currency exchange rates or currency exchange rate risk.

"Debt Fund Affiliate" means, with respect to any Person, a bona fide debt fund that is an Affiliate of such Person and that is primarily engaged in, or advises fund or other investment vehicles that are engaged in, making, purchasing, holding or otherwise investing in commercial loans, notes, bonds and similar extensions of credit or securities in the ordinary course of its business, whose managers have fiduciary duties to the investors independent of their duties to such Person or other Affiliates, and with respect to which such Person and its other Affiliates do not, directly or indirectly, possess the power to direct or cause the direction of the investment

policies or such entity.

"Default" means a condition or event described in Section 8.1 that, after notice or lapse of time or both, would unless cured or waived constitute an Event of Default.

"Default Rate" has the meaning specified in Section 2.7.

"Deposit Account" means a demand, time, savings, passbook or like account with a bank, savings and loan association, credit union or like organization, other than an account evidenced by a negotiable certificate of deposit.

"Designated Jurisdiction" means any country or territory, to the extent that such country or territory itself is the subject of any comprehensive Sanctions (at the time of this Agreement, Cuba, Iran, North Korea, Syria, and the Crimea region).

"Disposition" has the meaning specified in Section 6.8.

"Disqualified Equity Interests" means any Equity Interest which, by its terms (or by the terms of any security or other Equity Interests into which it is convertible or for which it is exchangeable), or upon the happening of any event or condition (i) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable (other than for Qualified Equity Interests), pursuant to a sinking fund obligation or otherwise, (ii) is redeemable at the option of the holder thereof (other than for Qualified Equity Interests), in whole or in part, (iii) provides for scheduled payments or dividends in cash or (iv) is or becomes convertible into or exchangeable (unless at the sole option of the issuer thereof) for Indebtedness or any other Equity Interests that would constitute Disqualified Equity Interests, in each case, prior to the date that is 91 days after the latest Maturity Date at the time such Equity Interests are issued; provided that any Equity Interest which, by its terms, provides for dividends in cash to be payable prior to the date that is 91 days after the latest Maturity Date at the time such Equity Interests are issued solely to the extent that such payment is not prohibited by Section 6.5 of this Agreement shall not be a Disqualified Equity Interest.

"Dividend" means, with respect to any Person, that such Person has, directly or indirectly, declared or paid a dividend, distribution or returned any other amount with respect to any Equity Interests to its stockholders, shareholders, partners or members or authorized or made any other distribution, payment or delivery of property, cash or other assets to its stockholders, shareholders, partners or members in their capacity as such, or redeemed, retired, purchased or otherwise acquired or terminated or cancelled, directly or indirectly, for a consideration (whether in cash, securities or other property) any shares of any class of its capital stock or any other Equity Interests outstanding on or after the Effective Date (or any options or warrants issued by such Person with respect to its capital stock or other Equity Interests).

"Dollars" and the sign "$" mean the lawful money of the United States of America.

"EEA Financial Institution" means (a) any credit institution or investment firm established in any EEA Member Country which is subject to the supervision of an EEA Resolution Authority, (b) any entity established in an EEA Member Country which is a parent of an institution described in clause (a) of this definition, or (c) any financial institution established in an EEA Member Country which is a subsidiary of an institution described in clause (a) or (b) of this definition and is subject to consolidated supervision with its parent.

of this definition and is subject to consolidated supervision with its parent.

"EEA Member Country" means any of the member states of the European Union, Iceland, Liechtenstein and Norway.

"EEA Resolution Authority" means any public administrative authority or any person entrusted with public administrative authority of any EEA Member Country (including any delegee) having responsibility for the resolution of any EEA Financial Institution.

"Effective Date" means the date on which the conditions specified in Section 3.1 are satisfied (or waived in accordance with Section 10.5), which date is anticipated to be May 20, 2020.

"Effective Date Certificate" means a certificate substantially in the form of Exhibit F-1.

"Effective Date Term Loan Commitment" means the commitment of a Lender to make or otherwise fund an Effective Date Term Loan and "Effective Date Term Loan Commitments" means such commitments of all Lenders in the aggregate. The amount of each Lender's Effective Date Term Loan Commitment, if any, is set forth on Schedule 1.1(a) under the column "Effective Date Term Loan Commitment" or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Effective Date Term Loan Commitments as of the Effective Date is $310,000,000.

"Effective Date Term Loan Exposure" means, with respect to any Lender, as of any date of determination, the outstanding principal amount of the Effective Date Term Loan Commitment or, after the funding thereof, the Effective Date Term Loans of such Lender.

"Effective Date Term Loans" means the term loans made by the Lenders on the Effective Date to Parent pursuant to Section 2.1(a)(i).

"Eligible Assignee" means (i) any Lender, any Affiliate of any Lender and any Related Fund (any two or more Related Funds being treated as a single Eligible Assignee for all purposes hereof), and (ii) any commercial bank, insurance company, investment or mutual fund or other entity that is an "accredited investor" (as defined in Regulation D under the Securities Act) and which extends credit or buys loans in the ordinary course of business; provided that no natural person, Loan Party, Excluded Institution or any Affiliate (other than any Debt Fund Affiliate of Parent or, if the additional limitations set forth in Section 10.6(h) are satisfied, any other Affiliate of Parent that is not a Debt Fund Affiliate) of the foregoing shall be an Eligible Assignee.

"Employee Benefit Plan" means any "employee benefit plan" as defined in Section 3(3) of ERISA which is sponsored, maintained or contributed to by, or required to be contributed to by, Parent or any of its ERISA Affiliates or which was sponsored, maintained or contributed to by, or required to be contributed to by, Parent or any of its ERISA Affiliates during the immediately preceding five plan years.

"Environmental Claim" means any investigation, notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (i) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (ii) in connection with any Hazardous Material or any actual or alleged Hazardous Materials; or (iii) in connection

with any Hazardous Material or any actual or alleged Hazardous Materials; or (iii) in connection

with any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment.

"Environmental Laws" means any and all current or future foreign or domestic, federal or state (or any subdivision of either of them), statutes, ordinances, codes, orders, rules, rules of common law regulations, judgments, Governmental Authorizations, binding and enforceable guidelines, or any other requirements of Governmental Authorities, or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgment, in each case, to the extent binding on Parent or its Subsidiaries relating to (i) environmental matters; (ii) the generation, use, storage, transportation or disposal of Hazardous Materials; or (iii) occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare, in any manner applicable to Parent or any of its Restricted Subsidiaries or any real property (including all buildings, fixtures or other improvements located thereon) owned, leased, operated or used by Parent or any of its Restricted Subsidiaries.

"Equity Interests" means any and all shares, interests, participations or other equivalents (however designated) of capital stock of a corporation, any and all equivalent ownership interests in a Person (other than a corporation), including partnership interests and membership interests, and any and all warrants, rights or options to purchase or other arrangements or rights to acquire any of the foregoing; provided that "Equity Interests" shall not include Permitted Convertible Note Hedging Agreements, Convertible Notes, or other Indebtedness that is convertible into Equity Interests.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and any successor thereto.

"ERISA Affiliate" means, as applied to any Person, (i) any corporation which is a member of a controlled group of corporations within the meaning of Section 414(b) of the Internal Revenue Code of which that Person is a member; (ii) any trade or business (whether or not incorporated) which is a member of a group of trades or businesses under common control within the meaning of Section 414(c) of the Internal Revenue Code of which that Person is a member; and (iii) any member of an affiliated service group within the meaning of Section 414(m) or (o) of the Internal Revenue Code of which that Person is a member.

"ERISA Event" means (i) a "reportable event" within the meaning of Section 4043 of ERISA and the regulations issued thereunder with respect to any Pension Plan (excluding those for which the provision for notice to the PBGC has been waived by regulation); (ii) the failure to meet the minimum funding standard of Section 303 of ERISA with respect to any Pension Plan or the failure to make by its due date a required installment under Section 430(j) of the Internal Revenue Code with respect to any Pension Plan or the failure to make any required contribution to a Multiemployer Plan; (iii) the provision by the administrator of any Pension Plan pursuant to Section 4041(a)(2) of ERISA of a notice of intent to terminate such plan in a distress termination described in Section 4041(c) of ERISA; (iv) the withdrawal by Parent or any of its ERISA Affiliates from any Pension Plan with two or more contributing sponsors or the termination of any such Pension Plan resulting in liability to Parent or any of its Affiliates pursuant to Section 4063 or 4064 of ERISA; (v) the institution by the PBGC of proceedings to terminate any Pension

Plan, or the occurrence of any event or condition which constitutes grounds under ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (vi) the imposition of liability on Parent or its ERISA Affiliates pursuant to Section 4062(e) or 4069 of ERISA or by reason of the application of Section 4212(c) of ERISA; (vii) the withdrawal of Parent or any of its ERISA Affiliates in a complete or partial withdrawal (within the meaning of Sections 4203 and 4205 of ERISA) from any Multiemployer Plan if there is an assessment by such Multiemployer Plan of liability therefor, or the receipt by Parent or its ERISA Affiliates of notice from any Multiemployer Plan that it is in reorganization or insolvency pursuant to Section 4241 or 4245 of ERISA, or that it intends to terminate or has terminated under Section 4041A or 4042 of ERISA; (viii) the occurrence of an act or omission which gives rise to the imposition on Parent or any of its ERISA Affiliates of fines, penalties, taxes or related charges under Chapter 43 of the Internal Revenue Code or under Section 409, Section 502(c), (i) or (l), or Section 4071 of ERISA in respect of any Employee Benefit Plan; (ix) the imposition of a lien pursuant to Section 430(k) of the Internal Revenue Code with respect to a Pension Plan; or (x) the imposition of any liability under Title IV of ERISA, other than the PBGC premiums due but not delinquent under Section 4007 of ERISA.

"EU Bail-In Legislation Schedule" means the EU Bail-In Legislation Schedule published by the Loan Market Association (or any successor person), as in effect from time to time.

"Event of Default" means any of the conditions or events specified in Section 8.1.

"Excess Cash Flow End Date" has the meaning specified in Section 2.10(c).

"Excess Cash Flow Trigger Date" has the meaning specified in Section 2.10(c).

"Exercise Price" has the meaning specified in the Warrants.

"Exchange Act" means the Securities Exchange Act of 1934, as amended from time to time, and any successor statute.

"Excluded Information" has the meaning specified in the definition of "Big Boy Letter".

"Excluded Institutions" means (a) the financial institutions specifically identified in writing to the Administrative Agent prior to the Effective Date and their Affiliates clearly identifiable by similarity of name and (b) any competitors of Parent and its Subsidiaries and their Affiliates clearly identifiable by similarity of name that are specifically identified in writing to the Administrative Agent prior to the Effective Date (or after the Effective Date, but only to the extent mutually agreed upon by Parent and the Administrative Agent, each party acting reasonably); provided that any Person that is a Lender and subsequently becomes an Excluded Institution (but was not an Excluded Institution at the time it became a Lender) shall not retroactively be deemed to be an Excluded Institution hereunder; provided, further, any Person that is a Lender that is designated as an Excluded Institution after the date it became a Lender, once so designated, shall not be entitled to acquire any additional assignments of, or participations in, Commitments or Loans from any other Lender. In no event shall any Canyon

Lender or any of its Subsidiaries or Affiliates be deemed to be an Excluded Institution.

Notwithstanding anything to the contrary contained in this Agreement, (i) the Administrative Agent shall not be responsible or have any liability for, or have any duty to ascertain, inquire into, monitor or enforce, compliance with the provisions hereof relating to Excluded Institutions, and (ii) Parent, the other Loan Parties and the Lenders acknowledge and agree that the Administrative Agent shall have no responsibility or obligation to determine whether any Lender or potential Lender is an Excluded Subsidiary or any liability with respect to an assignment or participation made to an Excluded Institution.

"Excluded Taxes" means, with respect to a recipient of any payment by any Loan Party under any Loan Document: (i) Taxes imposed on or measured by income (however denominated), franchise Taxes, and branch profits Taxes, in each case, (a) imposed as a result of such recipient being organized under the laws of, or having its principal office or, in the case of any Lender, its applicable lending office located in, the jurisdiction imposing such Tax or (b) that are Other Connection Taxes; (ii) any United States federal withholding tax imposed pursuant to any law in effect at the time such recipient becomes a party to this Agreement or acquires an interest in the applicable Loan or Commitment (other than pursuant to an assignment request by Parent under Section 2.19) (or changes its applicable lending office), except to the extent such recipient's assignor (if any) was entitled, immediately prior to such assignment, or such recipient was entitled, immediately prior to its change in applicable lending office, to receive additional amounts in respect of such withholding tax pursuant to Section 2.16(b); (iii) any withholding tax that results from a recipient's failure to comply with Section 2.16(c); and (iv) any U.S. federal withholding tax imposed pursuant to FATCA.

"Fair Share" has the meaning specified in Section 7.2.

"Fair Share Contribution Amount" has the meaning specified in Section 7.2.

"FATCA" means Sections 1471 through 1474 of the Internal Revenue Code as of the Effective Date (and any amended and successor version that is substantively comparable and not materially more onerous to comply with) and any Treasury regulations or other official administrative interpretations thereof and any agreements entered into pursuant thereto.

"FDIC" means the Federal Deposit Insurance Corporation.

"Financial Officer Certification" means, with respect to the financial statements for which such certification is required, the certification of the chief financial officer of Parent that such financial statements fairly present, in all material respects, the financial condition of Parent and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments.

"Fiscal Quarter" means a fiscal quarter of any Fiscal Year.

"Fiscal Year" means the fiscal year of Parent and its Subsidiaries ending on December 31 of each calendar year.

"Funding Guarantor" has the meaning specified in Section 7.2.

"GAAP" means, subject to the limitations on the application thereof set forth in Section 1.2, United States generally accepted accounting principles in effect as of the date of determination thereof consistently applied.

"Governmental Authority" means any federal, state, municipal, national or other government, governmental department, central bank, commission, board, bureau, court, agency or instrumentality or political subdivision thereof or any entity, officer or examiner exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to any government (including any supra-national body exercising such powers or functions, such as the European Union or the European Central Bank) or any court, in each case whether associated with a state of the United States, the United States, or a foreign entity or government.

"Governmental Authorization" means any permit, license, authorization, plan, directive, consent order or consent decree of or from any Governmental Authority.

"Guaranteed Obligations" has the meaning specified in Section 7.1.

"Guaranty" means the guaranty of each Subsidiary Guarantor set forth in Article VII.

"Hazardous Materials" means any substances or materials (a) which are or become defined as hazardous wastes, hazardous substances, pollutants, contaminants, chemical substances or mixtures or toxic substances under any Environmental Law, (b) which are toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise harmful to human health or the environment and are or become regulated by any Governmental Authority, (c) the presence of which require investigation or remediation under any Environmental Law or common law, (d) the discharge or emission or release of which requires a permit or license under any Environmental Law or other Governmental Authorization, (e) which are deemed to constitute a nuisance or a trespass which pose a health or safety hazard to Persons or neighboring properties, (f) which consist of underground or aboveground storage tanks, whether empty, filled or partially filled with any substance or (g) which contain, without limitation, asbestos, polychlorinated biphenyls, urea formaldehyde foam insulation, petroleum hydrocarbons, petroleum derived substances or waste, crude oil, nuclear fuel, natural gas or synthetic gas.

"Hedge Agreement" means (i) an Interest Rate Agreement, a Currency Agreement, a Commodity Agreement, (ii) any and all other rate swap transactions, basis swaps, credit default swaps, total return swaps and other credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index futures, swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, swaps, swap options ("swaptions"), caps or floors, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, mortgage-backed or mortgage-based (including principal-only and interest-only) securities and other instruments (including any kind of collateralized mortgage obligation), to-be-announced mortgage-backed securities, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any

master agreement, (iii) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, any Master Securities Forward Transaction Agreement or any other master derivatives agreement (any such master agreement, together with any related schedules, a "Master Agreement"), including any such obligations or liabilities under any Master Agreement, and (iv) any other primary agreement governing any exchange-traded or over-the-counter derivative transaction entered into by Parent or any Subsidiary of Parent.

"Highest Lawful Rate" means the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to any Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow.

"Historical Financial Statements" means (i) the audited financial statements of Parent and its Subsidiaries for the Fiscal Year ended December 31, 2019, consisting of Consolidated balance sheets and the related Consolidated statements of income, stockholders' equity and cash flows, and (ii) the unaudited financial statements of Parent and its Subsidiaries for the Fiscal Quarter ended March 31, 2020, consisting of a condensed Consolidated balance sheet and the related condensed Consolidated statements of income, stockholders' equity and cash flows, in each case certified by the chief financial officer of Parent that they fairly present, in all material respects, the financial condition of Parent and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated, subject to changes resulting from audit and normal year-end adjustments.

"HMT" has the meaning specified in the definition of "Sanctions".

"Increased Amount Date" has the meaning specified in Section 2.20(a).

"Increased Cost Lender" has the meaning specified in Section 2.19.

"Indebtedness" means, as applied to any Person, without duplication, (i) all obligations created, issued or incurred by such Person for borrowed money; (ii) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments; (iii) all Capitalized Lease Obligations of such Person; (iv) all obligations of such Person issued or assumed as the deferred purchase price of property or services and all payment obligations of such Person under conditional sale or other title retention agreements relating to assets purchased by such Person (but, in each case, excluding trade accounts payable (other than for borrowed money) arising, and accrued expenses incurred, in the ordinary course of business); (v) obligations (contingent or otherwise) of such Person for the reimbursement of any obligor on any drawn letter of credit, banker's acceptance or similar credit transaction; (vi) guarantees by such Person of Indebtedness of other Persons of the types referred to in clauses (i) through (v) above and clauses (viii) through (ix) below; (vii) Indebtedness of any other Person of the type referred to in clauses (i) through (vi) above which is secured by any Lien on any property or asset of such referent Person, the amount of such Indebtedness of such referent Person being deemed to be the lesser of the fair market value of such property or asset and the amount of the Indebtedness of such other Person

so secured; (viii) all net payment obligations of such Person under Commodity Agreements, Currency Agreements and Interest Rate Agreements of such Person; and (ix) obligations of such Person under any repurchase agreements, sale/buy-back agreements or similar arrangements.

"Indemnified Liabilities" means, collectively, any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (but limited, with respect to legal fees and expenses, to the reasonable and documented out of pocket fees and disbursements of one single primary counsel and one single local counsel in each appropriate jurisdiction for all similarly situated Indemnitees (it being agreed that, in the case of any actual or perceived conflict of interest between or among any Indemnitees, such Indemnitees shall be deemed not to be similarly situated and each such group of Indemnitees shall be entitled to additional counsel as set forth herein) in connection with any investigative, administrative or judicial proceeding or hearing commenced or threatened by any Person (including, without limitation, any Loan Party), whether or not any such Indemnitee shall be designated as a party or a potential party thereto), that may be imposed on, incurred by, or asserted against any such Indemnitee, in any manner relating to or arising out of this Agreement or the other Loan Documents or the transactions contemplated hereby or thereby (including the use or proposed use of proceeds, the Lenders' Commitments, or any enforcement of any of the Loan Documents (including any sale of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty)), but excluding any Taxes.

"Indemnified Taxes" means any and all Taxes, other than Excluded Taxes, imposed on or with respect to any payment by any Loan Party under any Loan Document.

"Indemnitee" has the meaning specified in Section 10.3(a).

"Initial Term Loans" means, collectively, the Effective Date Term Loans and the Second Draw Term Loans.

"Initial Term Loan Maturity Date" means the third anniversary of the Effective Date.

"Installment" has the meaning specified in Section 2.8.

"Interest Rate Agreement" means any interest rate swap, cap, floor, collar, hedge or similar agreement and any other agreement or arrangement designed to manage interest rates or interest rate risk.

"Internal Revenue Code" means the Internal Revenue Code of 1986, as amended.

"Investment" means (i) any direct or indirect purchase or other acquisition by Parent or any of its Restricted Subsidiaries of, or of a beneficial interest in, any of the Equity Interests, Indebtedness or Securities of any other Person; (ii) any direct or indirect redemption, retirement, purchase or other acquisition for value, by Parent or any of its Restricted Subsidiaries of any Equity Interests of such Person; (iii) any direct or indirect loan, advance (other than residential mortgage loans in the ordinary course of business, warehouse loans secured by residential mortgage loans and related assets, advances to employees for hardship, moving, entertainment and travel expenses, drawing accounts and similar expenditures in the ordinary course of business) to, or any other investment or capital contribution in, any other Person by Parent or any

business) to, or any other investment or capital contribution in, any other Person by Parent or any

of its Restricted Subsidiaries; (iv) all investments consisting of any exchange traded or over the counter derivative transaction, including any Interest Rate Agreement and Currency Agreement; and (v) the purchase or other acquisition (in one transaction or a series of transactions) of all or substantially all of the property and assets or business of another Person or assets constituting a business unit, line of business or division of any Person. For purposes of covenant compliance, (x) the amount of any Investment of the type described in clauses (i), (ii), (iii) and (v) shall be the amount actually invested, without any adjustments for subsequent increases or decreases in value of such Investment but giving effect to any returns or distributions of capital or repayment of principal actually received in cash by such other Person with respect thereto and (y) Investments will be valued at the time of the making thereof and without giving effect to any write-ups, write-downs or write-offs with respect to such Investment.

"Joinder Agreement" means an agreement substantially in the form of Exhibit H or such other form or with such changes as may be necessary to reflect term loans made pursuant to Section 2.20 as an increase to the Initial Term Loans or any prior Series of New Term Loans or such other changes as the Administrative Agent deems reasonably necessary to reflect an incurrence of term loans under Section 2.20.

"Joint Venture" means a joint venture, partnership or other similar arrangement, whether in corporate, partnership or other legal form.

"Lender" means each financial institution listed on the signature pages hereto as a Lender, and any other Person that becomes a party hereto pursuant to an Assignment Agreement or Joinder Agreement.

"Lien" means any lien, mortgage, pledge, assignment, security interest, charge or encumbrance of any kind.

"Loan" means a term loan made by a Lender to Parent under this Agreement.

"Loan Document" means any of this Agreement, the Notes, if any, the Agent Fee Letter and the Security Documents.

"Loan Party" means Parent or a Subsidiary Guarantor.

"Manager" means, so long as Parent is externally managed, any Person serving as Parent's external manager which, on the Effective Date, is FIG LLC, a Delaware limited liability company.

"Margin Stock" has the meaning specified in Regulation U.

"Master Agreement" has the meaning specified in the definition of Hedge Agreement.

"Material Adverse Effect" means the effect of any event or circumstance that, taken alone or in conjunction with other events or circumstances, has a material adverse effect on (i) the business, assets, operations or financial condition of Parent and its Subsidiaries taken as a whole; (ii) the ability of any Loan Party to fully and timely perform its payment obligations under the Loan Documents; (iii) the enforceability of any Loan Document; (iv) the value of the

under the Loan Documents, (iii) the enforceability of any Loan Document, (iv) the value of the

Collateral or the validity or priority of the Collateral Agent's Liens on the Collateral, taken as a whole; (v) the ability of the Collateral Agent to enforce or realize upon the Collateral, taken as a whole or (vi) the rights, remedies and benefits available to, or conferred upon, the Agents and the Lenders under the Loan Documents, taken as a whole; provided that the impacts of COVID-19 on the business, assets, operations or financial condition of Parent or any of its Subsidiaries that are expected to or reasonably likely to occur as of the Effective Date and that have been previously disclosed to the Lenders in writing prior to the Effective Date shall not constitute a "Material Adverse Effect".

"Maturity Date" means the Initial Term Loan Maturity Date and the New Term Loan Maturity Date of any Series of New Term Loans.

"Moody's" has the meaning specified in the definition of "Cash Equivalents".

"MSR" means mortgage servicing rights (including master servicing rights) entitling the holder to service mortgage loans.

"MSR Cashflow" means the cashflow paid or required to be paid to Parent or any of its Subsidiaries, as applicable, in connection with any MSR Facility, either on the related monthly remittance date or after satisfaction of the obligations of Parent or its Subsidiaries, as applicable, under the transaction documents relating to such MSR Facility.

"MSR Facility" means any financing arrangement of any kind, including, but not limited to, financing arrangements in the form of repurchase facilities, loan agreements, note issuance facilities and commercial paper facilities (excluding in all cases, any Securitization), with a financial institution or other lender or purchaser, in any case exclusively to finance or refinance the purchase, investment in, pooling or funding by Parent or a Subsidiary of Parent of MSRs invested in, purchased, or owned by Parent or any Subsidiary of Parent in the ordinary course of business or otherwise secured by MSR Cashflow.

"MSR Facility Trust" means any Person (whether or not a Subsidiary of Parent) established for the purpose of issuing notes or other securities in connection with an MSR Facility, which (i) notes and securities are backed by specified MSRs purchased by such Person from Parent or any Subsidiary of Parent, or (ii) notes and securities are backed by specified mortgage loans purchased by such Person from Parent or any Subsidiary of Parent.

"Multiemployer Plan" means any Employee Benefit Plan that is subject to Title IV of ERISA and that is a "multiemployer plan" as defined in Section 4001(a)(3) of ERISA to which Parent or any of its ERISA Affiliates makes or is obligated to make contributions.

"Narrative Report" means, with respect to the financial statements for which such narrative report is required, a narrative report describing the operations of Parent and its Subsidiaries with content substantially consistent with the requirements for "Management's Discussion and Analysis of Financial Condition and Results of Operations" for a Quarterly Report on Form 10-Q or Annual Report on Form 10-K under the rules and regulations of the SEC, or any similar successor provisions, which may be satisfied for the relevant period by delivery of a Form 10-Q or Form 10-K, as applicable, as contemplated by Section 5.1 hereof.

"Net Cash Proceeds" means (a) with respect to the sale, transfer or other disposition (whether in a single transaction, multiple transactions or a series of related transactions), directly or indirectly, of any Equity Interests in NewRez or any of its Subsidiaries that hold material assets, or any material assets of NewRez or its Subsidiaries, to any Person other than Parent or any other Loan Party outside of the ordinary course of business (it being understood that sales, transfers or other dispositions of mortgages, MSRs, "excess" MSRs, to-be-announced mortgage-backed securities and Servicing Advances are in the ordinary course of business for NewRez and its Subsidiaries), an amount equal to: (i) cash payments (including any cash received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) received by Parent or any of its Subsidiaries from such sale, transfer or other disposition, minus (ii) any bona fide direct costs incurred in connection with such sale, transfer or other disposition, including (1) income or gains taxes paid or payable by the seller as a result of any gain recognized in connection with such sale, transfer or other disposition, (2) payment of the outstanding principal amount of, premium or penalty, if any, and interest on any Indebtedness (other than the Loans) that is secured by a Lien on the Equity Interests or assets in question and that is required to be repaid under the terms thereof as a result of such sale, transfer or other disposition and (3) a reasonable reserve for any indemnification payments (fixed or contingent) attributable to seller's indemnities and representations and warranties to purchaser in respect of such sale, transfer or other disposition undertaken by Parent or any other Loan Party in connection with such sale, transfer or other disposition or for adjustments to the sale price in connection therewith; provided that if all or any portion of any such reserve is not used or is released, then the amount not used or released shall comprise Net Cash Proceeds, minus (iii) mandated fees and penalties by any Specified Government Entity, if any, and all customary or reasonable commissions, discounts, fees, costs and expenses associated therewith; (b) with respect to the sale, transfer or other disposition (whether in a single transaction, multiple transactions or a series of related transactions), directly or indirectly, of any Equity Interests in an Unencumbered Asset Equity Pledge Subsidiary to any Person other than Parent or any other Loan Party, or any assets of an Unencumbered Asset (Long Term) Equity Pledge Subsidiary to any Person other than another Unencumbered Asset (Long Term) Equity Pledge Subsidiary, an amount equal to: (i) cash payments (including any cash received by way of deferred payment pursuant to, or by monetization of, a note receivable or otherwise, but only as and when so received) received by Parent or any of its Subsidiaries from such sale, transfer or other disposition, minus (ii) any bona fide direct costs incurred in connection with such sale, transfer or other disposition, including (1) income or gains taxes paid or payable by the seller as a result of any gain recognized in connection with such sale, transfer or other disposition, and (2) a reasonable reserve for any indemnification payments (fixed or contingent) attributable to seller's indemnities and representations and warranties to purchaser in respect of such sale, transfer or other disposition undertaken by Parent or any of its Subsidiaries in connection with such sale, transfer or other disposition or for adjustments to the sale price in connection therewith; provided that if all or any portion of any such reserve is not used or is released, then the amount not used or released shall comprise Net Cash Proceeds, minus (iii) all customary or reasonable commissions, discounts, fees, costs and expenses associated therewith; or (c) with respect to any issuance or incurrence of Indebtedness or any sale or issuance of Equity Interests, means the cash proceeds of such issuance, sale or incurrence, as the case may be, net of attorneys' fees, accountants' fees, underwriters' or placement agents' fees, discounts and commissions and

brokerage, consultant and other fees and expenses incurred in connection with such issuance, sale or incurrence, as the case may be, and net of taxes paid or payable as a result thereof.

"New Term Loan Commitments" has the meaning specified in Section 2.20(a).

"New Term Loan Exposure" means, with respect to any Lender, as of any date of determination, the outstanding principal amount of the New Term Loan Commitment or, after the funding thereof, the New Term Loans of such Lender.

"New Term Loan Lender" has the meaning specified in Section 2.20(a).

"New Term Loan Maturity Date" means the date on which New Term Loans of a Series shall become due and payable in full hereunder, as specified in the applicable Joinder Agreement, including by acceleration or otherwise.

"New Term Loans" has the meaning specified in Section 2.20(b).

"NewRez" means NewRez LLC, a Delaware limited liability company.

"Non-Recourse Indebtedness" means any Indebtedness of Parent or any of its Subsidiaries:

(1) that is advanced to finance the acquisition (including from Parent or a Subsidiary of Parent) of Securitization Assets or other assets and secured only by the assets to which such Indebtedness relates (or by a pledge of equity in the Securitization Entity or Subsidiary of Parent owning such assets) without recourse to Parent or any of its Subsidiaries (excluding any such Subsidiary that is a Securitization Entity or that owns no assets other than its interest in a Securitization Entity and, in each case, is a borrower, guarantor, pledgor or other obligor of such Indebtedness) (other than recourse pursuant to Standard Recourse Undertakings, unless, until and for so long as a claim for payment has been made under any such Standard Recourse Undertakings (which has not been satisfied or waived) at which time the obligations with respect to any such Standard Recourse Undertakings shall not be considered Non-Recourse Indebtedness to the extent, and only to the extent, that such claim is a claim for the payment of Indebtedness for borrowed money of Parent or any Subsidiary of Parent and is also a liability (for GAAP purposes) of Parent or such Subsidiary, as applicable (excluding any such Subsidiary that is a Securitization Entity or that owns no assets other than its interest in a Securitization Entity and, in each case, is a borrower, guarantor, pledgor or other obligor of such Indebtedness));

(2) that is advanced to any Subsidiaries or group of Subsidiaries of Parent formed for the sole purpose of acquiring or holding Securitization Assets or other assets (directly or indirectly) against which a loan is obtained or other Indebtedness is issued without recourse to, and with no cross-collateralization against, any other assets of Parent or any of its Subsidiaries (excluding any such Subsidiary that is a Securitization Entity or that owns no assets other than its interest in a Securitization Entity and, in each case, is a borrower, guarantor, pledgor or other obligor of such Indebtedness) (other than recourse pursuant to Standard Recourse Undertakings, unless, until and for so long as a claim for payment has been made under any such Standard Recourse Undertakings (which has not been satisfied or waived) at which time the obligations with respect to any such Standard Recourse Undertakings shall not be considered Non-Recourse

with respect to any such Standard Recourse Undertakings shall not be considered Non-Recourse

Indebtedness to the extent, and only to the extent, that such claim is a claim for the payment of Indebtedness for borrowed money of Parent or any Subsidiary of Parent and is also a liability (for GAAP purposes) of Parent or such Subsidiary, as applicable (excluding any such Subsidiary that is a Securitization Entity or that owns no assets other than its interest in a Securitization Entity and, in each case, is a borrower, guarantor, pledgor or other obligor of such Indebtedness));

(3) that is advanced to finance the acquisition of real property and secured by only the real property (and any accessions, improvements and fixtures thereto) to which such Indebtedness relates (or by a pledge of equity in the Securitization Entity or Subsidiary of Parent owning such assets) without recourse to Parent or any of its Subsidiaries (excluding any such Subsidiary that is a Securitization Entity or that owns no assets other than its interest in a Securitization Entity and, in each case, is a borrower, guarantor, pledgor or other obligor of such Indebtedness) (other than recourse pursuant to Standard Recourse Undertakings, unless, until and for so long as a claim for payment has been made under any such Standard Recourse Undertakings (which has not been satisfied or waived) at which time the obligations with respect to any such Standard Recourse Undertakings shall not be considered Non-Recourse Indebtedness to the extent, and only to the extent, that such claim is a claim for the payment of Indebtedness for borrowed money of Parent or any Subsidiary of Parent and is also a liability (for GAAP purposes) of Parent or such Subsidiary, as applicable (excluding any such Subsidiary that is a Securitization Entity or that owns no assets other than its interest in a Securitization Entity and, in each case, is a borrower, guarantor, pledgor or other obligor of such Indebtedness));

(4) in respect of which recourse for payment is contractually limited to specific assets (including, without limitation, intangible assets) of Parent or any of its Subsidiaries encumbered by a Lien securing such Indebtedness (other than recourse pursuant to Standard Recourse Undertakings, unless, until and for so long as a claim for payment has been made under any such Standard Recourse Undertakings (which has not been satisfied or waived) at which time the obligation with respect to any such Standard Recourse Undertakings shall not be considered Non-Recourse Indebtedness to the extent, and only to the extent, that such claim is a claim for the payment of Indebtedness for borrowed money of Parent or any Subsidiary of Parent and is also a liability (for GAAP purposes) of Parent or such Subsidiary, as applicable (excluding any such Subsidiary that is a Securitization Entity or that owns no assets other than its interest in a Securitization Entity and, in each case, is a borrower, guarantor, pledgor or other obligor of such Indebtedness)); or

(5) customary completion or budget guarantees provided to lenders in connection with any of the foregoing clauses (1) through (4) in the ordinary course of business.

For the purposes of clarity, it is understood and agreed that if the payment of any Indebtedness for borrowed money of Parent or any of its Subsidiaries that would otherwise constitute Non-Recourse Indebtedness is guaranteed in part but not in whole by Parent or a Subsidiary of Parent in such manner that the portion of such Indebtedness so guaranteed no longer constitutes Non-Recourse Indebtedness, then the portion of the Indebtedness so guaranteed shall be deemed to constitute recourse Indebtedness and the remainder of such Indebtedness shall be deemed to constitute Non-Recourse Indebtedness.

"Note" means a promissory note in the form of Exhibit B, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Notice of Affiliate Assignment" has the meaning specified in Section 10.6(h)(v).

"NRM" means New Residential Mortgage LLC, a Delaware limited liability company.

"Obligations" means all obligations of every nature of each Loan Party, including obligations from time to time owed to Agents, Lenders or any of them, under any Loan Document, whether for principal, interest (including interest which, but for the filing of a petition in bankruptcy with respect to such Loan Party, would have accrued on any Obligation, whether or not a claim is allowed against such Loan Party for such interest in the related bankruptcy proceeding), fees, expenses, indemnification or otherwise, whether direct or indirect, absolute or contingent, due or to become due, or now existing or hereafter arising. Any reference in this Agreement or in the other Loan Documents to the Obligations shall include all extensions, modifications, renewals or alterations thereof, both prior and subsequent to any filing of a petition in bankruptcy.

"Obligee Guarantor" has the meaning specified in Section 7.7.

"OFAC" means Office of Foreign Assets Control of the U.S. Treasury Department.

"Organizational Documents" means with respect to any Person all formation, organizational and governing documents, instruments and agreements, including (i) with respect to any corporation, its certificate or articles of incorporation or organization, as amended, supplemented or otherwise modified, and its by-laws, as amended, supplemented or otherwise modified, (ii) with respect to any limited partnership, its certificate of limited partnership, as amended, supplemented or otherwise modified, and its partnership agreement, as amended, supplemented or otherwise modified, (iii) with respect to any general partnership, its partnership agreement, as amended, supplemented or otherwise modified and (iv) with respect to any limited liability company, its articles of organization, as amended, supplemented or otherwise modified, and its operating agreement, as amended, supplemented or otherwise modified. In the event any term or condition of this Agreement or any other Loan Document requires any Organizational Document to be certified by a secretary of state or similar governmental official, the reference to any such "Organizational Document" shall only be to a document of a type customarily certified by such governmental official.

"Other Connection Taxes" means, with respect to any recipient of any payment by any Loan Party under any Loan Document, Taxes imposed as a result of a present or former connection between such recipient and the jurisdiction imposing such Tax (other than connections arising from such Recipient having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, engaged in any other transaction pursuant to or enforced any Loan Document, or sold or assigned an interest in any Loan or Loan Document).

"Other Taxes" means all present or future stamp, documentary, intangible, mortgage, recording or similar Taxes arising from any payment made under any Loan Document or from

the execution, delivery, registration or enforcement of, or otherwise with respect to, any Loan

Document, except any such Taxes that are Other Connection Taxes imposed with respect to an assignment (other than an assignment made pursuant to Section 2.19) (an "Assignment Tax").

"Parent" has the meaning specified in the preamble hereto.

"PATRIOT Act" has the meaning specified in Section 3.1(g).

"Payment Date" means (i) with respect to interest payments, the last Business Day of each March, June, September and December to occur while such Loan is outstanding, the final maturity date of such Loan and the date of any repayment or prepayment made in respect thereof, and (ii) with respect to principal payments, the last Business Day of each March, June, September and December to occur while such Loan is outstanding and the final maturity date of such Loan.

"PBGC" means the Pension Benefit Guaranty Corporation or any successor thereto.

"Pension Plan" means any Employee Benefit Plan, other than a Multiemployer Plan, which is subject to Title IV of ERISA.

"Permitted Acquisition" means any acquisition by Parent or any of its Subsidiaries, whether by purchase, merger or otherwise, of all or substantially all of the assets of, not less than a majority of the Equity Interests of, or a business line or unit or a division of, any Person; provided that:

(i) immediately prior thereto, and after giving effect thereto, no Default or Event of Default shall have occurred and be continuing or would result therefrom;

(ii) all transactions in connection therewith shall be consummated, in all material respects, in accordance with all applicable laws and in conformity with all applicable Governmental Authorizations;

(iii) Parent and its Subsidiaries shall be in compliance with the financial covenants set forth in Section 6.7 on a pro forma basis after giving effect to such acquisition as of the last day of the month most recently ended for which financial statements of Parent are required to have been delivered pursuant to Section 5.1(a); and

(iv) in the case of acquisitions other than those in which at least 80% of the consideration is paid in Equity Interests, the aggregate intangibles acquired or generated as a result of such acquisitions (net of any contingent consideration, earn-outs or gain on bargain purchase) shall not exceed, at the time such acquisition is consummated, (A) $100,000,000 if the aggregate outstanding principal amount of Indebtedness incurred pursuant to Section 6.1(a)(ii) plus the outstanding principal amount of Loans hereunder exceeds $500,000,000, or (B) $200,000,000 if the aggregate outstanding principal amount of Indebtedness incurred pursuant to Section 6.1(a)(ii) plus the outstanding principal amount of Loans hereunder exceeds $250,000,000 but is less than or equal to $500,000,000.

For the avoidance of doubt, the condition in clause (iv) above shall not apply to any acquisition (x) effected by contributing or exchanging all or a portion of an operating business (other than the NewRez business) through a "carve-out" or otherwise into an existing Investment or a newly formed acquisition vehicle or merger into a third party or merger subsidiary for equity consideration; provided that such equity consideration has a fair market value that is at least equal to the fair market value of the assets or business contributed to, exchanged for or otherwise invested, or (y) where a Person becomes a Subsidiary as a result of the exercise of stock options or warrants held on the Effective Date by Parent or any of its Subsidiaries.

"Permitted Convertible Note Hedging Agreement" means (a) an agreement pursuant to which Parent acquires a call or a capped call option requiring the counterparty thereto to deliver to Parent shares of common stock in Parent, the cash value of such shares or cash representing the termination value of such option or a combination thereof from time to time upon settlement, exercise or early termination of such option and (b) an agreement pursuant to which, among other things, Parent issues to the counterparty thereto warrants to acquire common stock of Parent, cash in lieu of delivering shares of common stock or cash representing the termination value of such option, or a combination thereof upon settlement, exercise or early termination thereof, in each case, under clauses (a) and (b), entered into by Parent in connection with any issuance of Convertible Notes (including, without limitation, the exercise of any over-allotment or initial purchaser's or underwriter's option).

"Permitted Funding Indebtedness" means (i) any Permitted Servicing Advance Facility Indebtedness, (ii) any Permitted Warehouse Indebtedness, (iii) any Permitted Residual Indebtedness, (iv) any Permitted MSR Indebtedness, (v) any facility that combines any Indebtedness under clause (i), (ii), (iii) or (iv) and (vi) any Refinancing of the Indebtedness under clause (i), (ii), (iii), (iv) or (v) and advanced to Parent or any of its Subsidiaries based upon, and secured by, Servicing Advances, mortgage related securities, loans, MSRs, MSR Cashflow, consumer receivables, REO Assets or Residual Interests existing on the Effective Date or created or acquired thereafter.

"Permitted Holders" means Fortress Investment Group LLC and its Control Investment Affiliates.

"Permitted Liens" means:

(i) Liens in favor of the Collateral Agent for the benefit of the Secured Parties granted pursuant to any Loan Document;

(ii) pledges or deposits by such Person under workers' compensation, early retirement or termination obligations, pension fund obligations or contributions, unemployment insurance laws or similar legislation, in each case incurred in the ordinary course of business;

(iii) Liens imposed by operation of law, for carriers', warehousemen's, mechanics' or similar Liens, in each case for sums not yet overdue by more than 30 days or which are being contested in good faith by appropriate proceedings;

(iv) Liens imposed by operation of law for taxes, assessments and other governmental charges not yet overdue or which are being contested in good faith by appropriate proceedings; provided that any reserve or other appropriate provision as is required in conformity with GAAP has been made therefor;

(v) Liens or deposits to secure the performance of statutory or regulatory obligations or of surety, bid, customs, stay, appeal, tax, indemnity or performance bonds, warranty and contractual requirements, completion guarantees and payment obligations in connection with self-insurance or similar obligations, in each case in the ordinary course of business;

(vi) survey exceptions, encumbrances, easements or reservations of, or rights of others for, licenses, rights-of-way, sewers, electric lines, telegraph and telephone lines and other similar purposes, or zoning or other restrictions as to the use of real property or to the ownership of its properties which do not (1) secure obligations for borrowed money or (2) materially impair the use in the ordinary course operation of the business of such Person;

(vii) any interest or title of a lessor or sublessor under any lease of real estate not prohibited hereunder and covering only the assets so leased;

(viii) purported Liens evidenced by the filing of precautionary UCC financing statements (1) relating solely to operating leases of personal property entered into in the ordinary course of business or (2) to evidence the sale of assets in the ordinary course of business;

(ix) Liens existing on the Effective Date and listed on Schedule 6.2, but not the extension of coverage thereof to any other category or type of property or assets not the subject of such Liens on the Effective Date (other than assets and property affixed or appurtenant thereto and proceeds and products thereof);

(x) Liens on property or Equity Interests of another Person at the time such other Person becomes a Subsidiary of such Person; provided that the Liens may not extend to any other property owned by such Person or any of its Subsidiaries (other than assets and property affixed or appurtenant thereto and proceeds and products thereof); provided, further, that such Liens are not created or Incurred in connection with, or in contemplation of, such acquisition;

(xi) Liens on property at the time such Person or any of its Subsidiaries acquires the property, including any acquisition by means of a merger or consolidation with or into such Person or a Subsidiary of such Person; provided, however, that the Liens may not extend to any other property owned by such Person or any of its Subsidiaries (other than assets and property affixed or appurtenant thereto and proceeds and products thereof); provided, further, that such Liens are not created or incurred in connection with, or in contemplation of, such acquisition;

(xii) Liens securing intercompany Indebtedness or other obligations

among Parent and/or any of its Subsidiaries; provided that (A) any such intercompany

Indebtedness if held by a Loan Party is pledged for the benefit of the Secured Parties and (B) the Liens permitted by this clause (xii) do not attach to any Collateral;

(xiii) Liens securing Indebtedness permitted under Section 6.1(p); provided, however, that (1) such Liens do not at any time encumber any property except for accessions to such property other than the property financed by such Indebtedness and the proceeds and the products thereof and (2) with respect to Capitalized Lease Obligations, such Liens do not at any time extend to or cover any assets (except for accessions to such assets) other than the assets subject to such Capitalized Lease Obligations; provided, further, that individual financings of equipment provided by one lender may be cross-collateralized to other financings of equipment provided by such lender;

(xiv) (A) Liens on the Collateral to secure Indebtedness incurred pursuant to Section 6.1(a)(ii) or 6.1(d) that is subject to an intercreditor agreement that is reasonably acceptable to the Administrative Agent, and (B) Liens to secure Indebtedness incurred pursuant to Section 6.1(e), but only to the extent that the Indebtedness being guarantied pursuant to Section 6.1(e) is also permitted to be secured by a Permitted Lien;

(xv) Liens to secure any Refinancing (or successive Refinancings) as a whole, or in part, of any Indebtedness secured by any Lien referred to in the foregoing clauses (i), (ix), (x), (xi) and (xiii) above and (xxvi) – (xxx) below; provided, however, that:

(1) such new Lien shall be limited to all or part of the same property and assets that secured or, under the written agreements pursuant to which the original Lien arose, could secure the original Lien (plus improvements and accessions to such property or proceeds or distributions thereof);

(2) the Indebtedness secured by such Lien at such time is not increased to any amount greater than the sum of (x) the outstanding principal amount or, if greater, committed amount of the Indebtedness described under clauses (i), (ix), (x), (xi) and (xiii) above and (xxvi) – (xxx) below at the time the original Lien became a Permitted Lien and (y) an amount necessary to pay any fees and expenses, including premiums, incurred in connection with such Refinancing, refunding, extension, renewal or replacement; and

(3) if the Liens securing the Indebtedness to be Refinanced included Liens on Collateral and such Liens were subject to an intercreditor agreement with the Secured Parties or an agent on their behalf, such new Lien securing such Refinancing Indebtedness shall be subject to an intercreditor agreement with the Secured Parties or an agent on their behalf and shall not have greater priority with respect to the Liens securing the Obligations than the Liens securing the Indebtedness to be Refinanced;

(xvi) Liens securing judgments for the payment of money not constituting an Event of Default under Section 8.1(h);

(xvii) Liens of a collection bank arising under Section 4-210 of the UCC on items in the course of collection;

(xviii) Liens encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business;

(xix) Liens solely on any cash earnest money deposits made by Parent or any of its Subsidiaries in connection with any letter of intent or purchase agreement in connection with a transaction permitted under this Agreement;

(xx) licenses, sublicenses or similar rights to use any patent, trademark, copyright or other intellectual property right granted to others by Parent or any of its Subsidiaries in the ordinary course of business, which do not interfere in any material respect with the business of Parent or such Subsidiary;

(xxi) Liens on any amounts held by a trustee under any indenture or other debt agreement issued in escrow pursuant to customary escrow arrangements pending the release thereof, or under any indenture or other debt agreement pursuant to customary discharge, redemption or defeasance provisions;

(xxii) any encumbrance or restriction (including put or call arrangements, tag, drag, right of first refusal and similar rights) with respect to Equity Interests or other securities of any Joint Venture or similar arrangement pursuant to any Joint Venture or similar agreement;

(xxiii) Liens on deposits or other amounts held in escrow to secure contractual payments (contingent or otherwise) payable by Parent or its Subsidiaries to a counterparty in connection with any Investment, acquisition or disposition;

(xxiv) (i) Liens required by prime brokers in connection with prime brokerage arrangements or that are contractual rights of set-off relating to the establishment of depository relations with banks not given in connection with the issuance of Indebtedness and (ii) Liens to secure Indebtedness incurred pursuant to Section 6.1(l), other Indebtedness of Parent or any of its Subsidiaries owed to banks and other financial institutions incurred in connection with Cash Management Obligations and other ordinary banking arrangements to provide treasury services or to manage cash balances of Parent and its Subsidiaries, and other Indebtedness of Parent or any of its Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds; provided, however, that such Indebtedness is extinguished within five (5) Business Days of incurrence;

(xxv) Liens on cash and Cash Equivalents securing obligations under Hedge Agreements entered into not for speculative purposes;

(xxvi) Liens securing Non-Recourse Indebtedness;

(xxvii) Liens securing Permitted Funding Indebtedness other than Permitted Servicing Advance Facility Indebtedness so long as any such Lien shall encumber only (i) the assets originated, acquired or funded with the proceeds of such Indebtedness and (ii) any intangible contract rights and other documents, records and assets directly related to the assets set forth in clause (i) and any proceeds thereof;

(xxviii) Liens on Servicing Advances, any intangible contract rights and other documents, records and assets directly related to the foregoing assets and any proceeds thereof securing deferred servicing fees, Permitted Servicing Advance Facility Indebtedness, Permitted Securitization Indebtedness or Non-Recourse Indebtedness;

(xxix) Liens on the Equity Interests of any Securitization Entity and the proceeds thereof securing Securitization Indebtedness of such Securitization Entity;

(xxx) Liens on Securitization Assets, any intangible contract rights and other documents, records and assets directly related to the foregoing assets and any proceeds thereof incurred in connection with Permitted Securitization Indebtedness or permitted guarantees thereof;

(xxxi) Liens on MSR Cashflow, deposit accounts or securities accounts holding such MSR Cashflow and all replacements, substitutions, distributions on or proceeds of any or all of the foregoing; and

(xxxii) other Liens securing obligations not constituting Indebtedness for borrowed money that do not exceed $5,000,000 in the aggregate at any one time;

provided that, for purposes of this definition, any reference to any Indebtedness permitted pursuant to Section 6.1 shall be deemed to include a reference to such Indebtedness incurred by any Subsidiary of Parent (to the extent not already provided herein).

"Permitted MSR Indebtedness" means Indebtedness in connection with an MSR Facility; the amount of any particular Permitted MSR Indebtedness as of any date of determination shall be calculated in accordance with GAAP.

"Permitted REIT Distributions" means any (i) dividend, redemption, or other distribution or payment by Parent (whether in cash, Parent stock, other property, or any combination thereof, as determined by Parent) that, in Parent's reasonable determination, is intended (A) to maintain Parent's status or ability to qualify for taxation as a REIT or (B) to avoid the payment of all entity-level federal, state and local income or excise tax and (ii) dividend, redemption, or other distribution or payment by any Restricted Subsidiary that is intended to permit Parent to make any distribution or payment described in clause (i).

"Permitted Residual Indebtedness" means any Indebtedness of Parent or any of its Subsidiaries under a Residual Funding Facility.

"Permitted Securitization Indebtedness" means Securitization Indebtedness; provided that in connection with any Securitization, any Permitted Warehouse Indebtedness or Permitted MSR Indebtedness used to finance the purchase or origination of any receivables or other asset

MSR indebtedness used to finance the purchase or origination of any receivables or other asset

subject to such Securitization is repaid in connection with such Securitization to the extent of the net proceeds received by Parent and its Subsidiaries from the applicable Securitization Entity.

"Permitted Servicing Advance Facility Indebtedness" means any Indebtedness of Parent or any of its Subsidiaries incurred under a Servicing Advance Facility.

"Permitted Warehouse Indebtedness" means Indebtedness in connection with a Warehouse Facility; provided that the amount of any particular Permitted Warehouse Indebtedness as of any date of determination shall be calculated in accordance with GAAP.

"Person" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, Joint Ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"Platform" has the meaning specified in Section 10.15(b).

"Prepayment Notice" has the meaning specified in Section 2.9(a).

"Principal Office" means, with respect to the Administrative Agent, such Person's "Principal Office" or account as set forth on Schedule 1.1(b), or such other office account or office account of a third party or sub-agent, as appropriate, as such Person may from time to time designate in writing to Parent, the Administrative Agent and each Lender.

"Pro Rata Share" means (i) with respect to all payments, computations and other matters relating to the Effective Date Term Loan Commitment or the Effective Date Term Loan of any Lender, the percentage obtained by dividing (a) the Effective Date Term Loan Exposure of that Lender by (b) the aggregate Effective Date Term Loan Exposure of all Lenders; (ii) with respect to all payments, computations and other matters relating to the Second Draw Term Loan Commitment or the Second Draw Term Loan of any Lender, the percentage obtained by dividing (a) the Second Draw Term Loan Exposure of that Lender by (b) the aggregate Second Draw Term Loan Exposure of all Lenders and (iii) with respect to all payments, computations, and other matters relating to New Term Loan Commitments or New Term Loans of a particular Series, the percentage obtained by dividing (a) the New Term Loan Exposure of that Lender with respect to that Series by (b) the aggregate New Term Loan Exposure of all Lenders with respect to that Series. For all other purposes with respect to each Lender, "Pro Rata Share" means the percentage obtained by dividing (A) an amount equal to the sum of the aggregate Effective Date Term Loan Exposure, Second Draw Term Loan Exposure and New Term Loan Exposure of that Lender, by (B) an amount equal to the sum of the aggregate Effective Date Term Loan Exposure, the aggregate Second Draw Term Loan Exposure and the aggregate New Term Loan Exposure of all Lenders.

"Public Lender" has the meaning specified in Section 10.15(b).

"Qualified Equity Interest" means any Equity Interest that is not a Disqualified Equity Interest.

"Refinance" means, in respect of any security or Indebtedness, to refinance, extend, renew, replace or refund (including pursuant to any defeasance, covenant defeasance or satisfaction, discharge or similar mechanism), or to issue a security or incur new Indebtedness in exchange or replacement for such security or Indebtedness in whole or in part. "Refinanced" and "Refinancing" shall have correlative meanings.

"Refinancing Indebtedness" means Indebtedness of Parent or any Subsidiary of Parent that Refinances any other Indebtedness of Parent or any Subsidiary of Parent incurred or outstanding in accordance with Section 6.1 (other than Indebtedness incurred or outstanding under clauses (a)(i), (b), (c), (e), (f), (i), (j), (k), (l) and (m) of Section 6.1), including, without limitation, Indebtedness that Refinances Refinancing Indebtedness; provided, however, that:

(1) such Refinancing Indebtedness has an aggregate principal amount (or if incurred with original issue discount, an aggregate issue price) that is equal to or less than the sum of the aggregate principal amount (or, if incurred with original issue discount, the aggregate accreted value) of the Indebtedness being Refinanced plus, without duplication, any additional Indebtedness incurred to pay interest or dividends thereon and the amount of any premium (including tender premium), defeasance costs and any fees and expenses incurred in connection with such Refinancing;

(2) such Refinancing Indebtedness has a Weighted Average Life to Maturity at the time such Refinancing Indebtedness is incurred that is equal to or greater than the Weighted Average Life to Maturity of the Indebtedness being Refinanced at such time; and

(3) (a) if the final stated maturity of the Indebtedness being Refinanced is earlier than the latest applicable Maturity Date, the Refinancing Indebtedness has a final stated maturity no earlier than the final stated maturity of the Indebtedness being Refinanced or (b) if the final stated maturity of the Indebtedness being Refinanced is on or later than the latest applicable Maturity Date, the Refinancing Indebtedness has a final stated maturity at least 91 days later than the latest applicable Maturity Date;

provided that if such Indebtedness being Refinanced is subordinate to the Obligations in right of payment or priority of Liens pursuant to the terms of any instrument, contract or agreement evidencing such Indebtedness being Refinanced or under which such Indebtedness shall have been incurred, then such Refinancing Indebtedness shall be subordinate to the Obligations at least to the same extent as provided in the documentation governing the Indebtedness being Refinanced. For purposes of clarity, it is understood and agreed that (x) whether any particular item of Indebtedness is outstanding under any of the clauses of Section 6.1 shall be determined after giving effect to any classification or reclassification of Indebtedness by Parent pursuant to the paragraph immediately following Section 6.1 and (y) if the terms of any Indebtedness being Refinanced provide that the final stated maturity thereof may be extended, whether at the option of the borrower or otherwise, the final stated maturity of such Indebtedness shall be determined, for purposes of this definition, without giving effect to any such extension unless such extension is in effect at the time of such Refinancing.

"Register" has the meaning specified in Section 2.4(b).

"Regulation D" means Regulation D of the Board of Governors, as in effect from time to time.

"Regulation T" means Regulation T of the Board of Governors, as in effect from time to time.

"Regulation U" means Regulation U of the Board of Governors, as in effect from time to time.

"Regulation X" means Regulation X of the Board of Governors, as in effect from time to time.

"REIT" means a real estate investment trust as defined in Sections 856-860 of the Internal Revenue Code (and any corresponding provisions of state or local law).

"Related Fund" means, with respect to any Lender that is an investment fund, any other investment fund that invests in commercial loans and that is managed or advised by the same investment advisor as such Lender or by an Affiliate of such investment advisor.

"Related Party" means, with respect to any specified Person, such Person's Affiliates and the respective directors, trustees, officers, employees, agents, representatives and advisors of such Person and such Person's Affiliates.

"Release" means any release, spill, emission, leaking, pumping, pouring, injection, escaping, deposit, disposal, discharge, dispersal, dumping, leaching or migration of any Hazardous Material into the indoor or outdoor environment (including the abandonment or disposal of any barrels, containers or other closed receptacles containing any Hazardous Material), including the movement of any Hazardous Material through the air, soil, surface water or groundwater.

"REO Assets" of a Person means any real property owned by such Person and acquired (i) as a result of the foreclosure or other enforcement of a lien on such asset securing a loan, Servicing Advance or other mortgage-related receivables or (ii) from some other Person, including a Securitization Entity.

"Replacement Lender" has the meaning specified in Section 2.19.

"Required Lenders" means Lenders holding Effective Date Term Loan Exposure plus Second Draw Term Loan Exposure plus New Term Loan Exposure representing more than 50% of the sum of (i) the aggregate Effective Date Term Loan Exposure of all Lenders, (ii) the aggregate Second Draw Term Loan Exposure of all Lenders and (iii) the aggregate New Term Loan Exposure of all Lenders; provided that the loans of an Affiliated Lender or a Debt Fund Affiliate shall be excluded for purposes of making a determination of Required Lenders to the extent set forth in Section 10.5(f) or (g), as applicable.

"Residual Funding Facility" means any funding arrangement with a financial institution or institutions or other lenders or purchasers under which advances are made to Parent or any Subsidiary secured by Residual Interests.

Substantially secured by residual interests.

"Residual Interests" means any residual, subordinated, reserve accounts and retained ownership interest held by Parent or a Subsidiary in any Securitization Entity, Warehouse Facility Trust or MSR Facility Trust, regardless of whether required to appear on the face of the consolidated financial statements in accordance with GAAP.

"Resolution Authority" means an EEA Resolution Authority or, with respect to any UK Financial Institution, a UK Resolution Authority.

"Restricted Subsidiary" means, collectively, the Subsidiary Guarantors and each other Person listed on Schedule 1.1(e), and the permitted successors and assigns of each such person, together with each other direct Subsidiary of Parent formed or acquired after the Effective Date. Parent will promptly notify the Administrative Agent of any new Restricted Subsidiary.

"S&P" has the meaning specified in the definition of "Cash Equivalents".

"Sanctions" means any economic or financial sanctions or trade embargos administered, imposed or enforced by (a) the United States Government, including, without limitation, OFAC, and the United States Department of State, (b) the United Nations Security Council, (c) the European Union, (d) Her Majesty's Treasury ("HMT"), or (e) any European Union member state.

"Sanctioned Person" has the meaning specified in Section 4.17(a).

"SEC" means the United States Securities and Exchange Commission and any successor Governmental Authority performing a similar function.

"Second Draw Date" means May 27, 2020, or such earlier date as may be agreed between Parent and the Lenders holding Second Draw Term Loan Commitments..

"Second Draw Term Loan Commitment" means the commitment of a Lender to make or otherwise fund a Second Draw Term Loan and "Second Draw Term Loan Commitments" means such commitments of all Lenders in the aggregate. The amount of each Lender's Second Draw Term Loan Commitment, if any, is set forth on Schedule 1.1(a) under the column "Second Draw Term Loan Commitment" or in the applicable Assignment Agreement, subject to any adjustment or reduction pursuant to the terms and conditions hereof. The aggregate amount of the Second Draw Term Loan Commitments as of the Effective Date is $290,000,000.

"Second Draw Term Loan Exposure" means, with respect to any Lender, as of any date of determination, the outstanding principal amount of the Second Draw Term Loan Commitment or, after the funding thereof, the Second Draw Term Loans of such Lender.

"Second Draw Term Loans" means the term loans made by the Lenders on the Second Draw Date to Parent pursuant to Section 2.1(a)(ii).

"Secured Parties" has the meaning specified in the Security Agreement.

"Securities" means any stock, shares, partnership interests, voting trust certificates, certificates of interest or participation in any profit-sharing agreement or arrangement, options,

warrants, bonds, debentures, notes, or other evidences of indebtedness, secured or unsecured, convertible, subordinated or otherwise, or in general any instruments commonly known as "securities" (including mortgage-backed securities) or any certificates of interest, shares or participations in temporary or interim certificates for the purchase or acquisition of, or any right to subscribe to, purchase or acquire, any of the foregoing.

"Securities Act" means the Securities Act of 1933, as amended from time to time, and any successor statute.

"Securitization" means a public or private transfer, sale or financing of Servicing Advances, MSRs, mortgage loans, mortgage-backed securities, installment contracts, other loans, accounts receivable, real estate assets, mortgage receivables and any other assets capable of being securitized (collectively, "Securitization Assets") by which Parent or any of its Subsidiaries directly or indirectly securitizes or finances a pool of specified Securitization Assets or incurs Non-Recourse Indebtedness secured by specified Securitization Assets, including any such transaction involving the sale of specified Securitization Assets to a Securitization Entity.

"Securitization Assets" has the meaning set forth in the definition of "Securitization".

"Securitization Entity" means (i) any Person established for the purpose of issuing asset-backed or mortgage-backed or mortgage pass-through securities of any kind (including collateralized mortgage obligations and net interest margin securities) or other similar securities; (ii) any special-purpose Subsidiary established for the purpose of selling, depositing or contributing Securitization Assets into a Person described in clause (i) or for the purpose of holding Equity Interests of, or securities issued by, any related Securitization Entity, regardless of whether such special-purpose Subsidiary is an issuer of securities; provided that such special-purpose Subsidiary described in this clause (ii) is not an obligor with respect to any Indebtedness of Parent or any Subsidiary Guarantor; (iii) any Person established for the purpose of holding Securitization Assets and issuing Non-Recourse Indebtedness secured by such Securitization Assets; (iv) any special purpose Subsidiary formed exclusively for the purpose of satisfying the requirements of Credit Enhancement Agreements (including, without limitation, any Subsidiary that is established for the purpose of owning another Securitization Entity and pledging the equity of that other Securitization Entity as security for the Indebtedness of such other Securitization Entity) and regardless of whether such Subsidiary is an issuer of securities, provided that such special-purpose Subsidiary is not an obligor with respect to any Indebtedness of Parent or any Subsidiary Guarantor other than under Credit Enhancement Agreements; and (v) any other Subsidiary which is established for the purpose of (x) acting as sponsor for and organizing and initiating Securitizations or (y) facilitating or entering into a Securitization, in each case that engages in activities reasonably related or incidental thereto and that is not an obligor or guarantor with respect to any Indebtedness of Parent. Whether or not a Person is a Securitization Entity shall be determined in good faith by Parent. In no event shall any Unencumbered Asset Equity Pledge Subsidiary be a Securitization Entity.

"Securitization Indebtedness" means (i) Indebtedness of Parent or any of its Subsidiaries incurred pursuant to on-balance sheet Securitizations treated as financings and (ii) any Indebtedness consisting of advances made to Parent or any of its Subsidiaries based upon

bonds, debentures, notes, certificates or other securities issued by a Securitization Entity pursuant to a Securitization and acquired or retained by Parent or any of its Subsidiaries.

"Securitization Repurchase Obligation" means any obligation of a seller of Securitization Assets in a Securitization to repurchase Securitization Assets, or to make a payment in respect thereof, arising as a result of a breach of a representation, warranty or covenant or otherwise, including, without limitation, as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

"Security Agreement" means the Pledge and Security Agreement executed by Parent and each Subsidiary Guarantor dated as of the date hereof, as it may be amended, restated, supplemented or otherwise modified from time to time.

"Security Documents" means the Security Agreement and all other instruments, documents and agreements delivered by any Loan Party pursuant to this Agreement or any of the other Loan Documents in order to grant to the Collateral Agent, for the benefit of Secured Parties, a first priority Lien on the Collateral and subject to no other Liens (other than Permitted Liens) as security for the Obligations.

"Series" has the meaning specified in Section 2.20(a).

"Servicing Advance Entity" means (a) as of the Effective Date, each Subsidiary listed on Schedule 1.1(c) and any Subsidiary that owns any Equity Interests of any Subsidiary listed on Schedule 1.1(c) from time to time and (b) any Subsidiary that, after the Effective Date, enters into any transactions and performs any functions similar to those entered into or performed by the Subsidiaries listed on Schedule 1.1(c) on the Effective Date and any Subsidiary that owns any Equity Interests of any Subsidiary referred to in this clause (b) from time to time and, in each case, their successors and assigns. In no event shall an Unencumbered Asset Equity Pledge Subsidiary be a Servicing Advance Entity.

"Servicing Advance Facility" means any funding arrangement with banks, lenders, investors or other Persons collateralized in whole or in part by Servicing Advances or, to the extent permitted by Section 6.14, the Equity Interests of any Servicing Advance Entity, under which advances are made to Parent or any of its Subsidiaries based on such collateral.

"Servicing Advances" means advances made by Parent or any of its Subsidiaries in its capacity as servicer of any mortgage-related receivables to fund principal, interest, escrow, foreclosure, insurance, tax or other payments or advances when the borrower on the underlying receivable is delinquent in making payments on such receivable; to enforce remedies; or to manage and liquidate REO Assets; or that Parent or any of its Subsidiaries otherwise advances in its capacity as servicer.

"Servicing Agreements" means any servicing agreements (including whole loan servicing agreements for portfolios of whole mortgage loans), pooling and servicing agreements, interim servicing agreements and other servicing agreements, and any other agreement governing the rights, duties and obligations of Parent or any of its Subsidiaries, including the Fannie Mae

and Freddie Mac servicing guide, as a servicer, under such servicing agreements (including, for

the avoidance of doubt, any agreements related to primary servicing, sub-servicing, special servicing and master servicing).

"Solvency Certificate" means a Solvency Certificate of the chief financial officer of Parent substantially in the form of Exhibit F-2.

"Solvent" means, with respect to any Loan Party, that as of the date of determination, both (i) (a) the sum of such Loan Party's debt (including contingent liabilities) does not exceed the present fair saleable value of such Loan Party's present assets; (b) such Loan Party's capital is not unreasonably small in relation to its business as contemplated on the Effective Date or with respect to any transaction contemplated to be undertaken after the Effective Date; and (c) such Person has not incurred and does not intend to incur, or believe (nor should it reasonably believe) that it shall incur, debts beyond its ability to pay such debts as they become due (whether at maturity or otherwise); and (ii) such Person is "solvent" within the meaning given that term and similar terms under the Bankruptcy Code and applicable laws relating to fraudulent transfers and conveyances. For purposes of this definition, the amount of any contingent liability at any time shall be computed as the amount that, in light of all of the facts and circumstances existing at such time, represents the amount that can reasonably be expected to become an actual or matured liability (irrespective of whether such contingent liabilities meet the criteria for accrual under Statement of Financial Accounting Standard No. 5).

"Specified Government Entities" means the Federal Housing Administration, Veterans Administration, Ginnie Mae, Fannie Mae, Freddie Mac or other similar governmental agencies or government sponsored programs.

"Standard Recourse Undertakings" means, with respect to any Securitization or Indebtedness, (a) such representations, warranties, covenants and indemnities which are customarily (as determined by Parent in good faith) made by sellers of financial assets or other Securitization Assets or an Affiliate of such sellers, including, without limitation, Securitization Repurchase Obligations, and (b) such customary (as determined by Parent in good faith) carve-out or other matters for which Parent or any of its Subsidiaries acts as an indemnitor or guarantor in connection with any such Securitization or Indebtedness, such as fraud, misappropriation and misapplication of funds, misrepresentation, criminal acts, repurchase obligations for breach of representations or warranties, environmental indemnities, insolvency events, misstatement or omission with respect to transaction offering documents or marketing materials, indemnification of transaction parties, non-approved transfers and other similar undertakings which Parent determines in good faith to constitute standard undertakings customarily provided by sellers of financial assets or an Affiliate of such sellers or consistent with past practice of Parent.

"Subsidiary" means, with respect to any Person, any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50.0% of the total voting power of shares of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, managers, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by that Person or one or more of the other Subsidiaries of that

Person or a combination thereof; provided that in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interest in the nature of a "qualifying share" of the former Person shall be deemed to be outstanding.

"Subsidiary Guarantor" means each person listed on Schedule 1.1(d) and each other person that becomes party to this Agreement as a Subsidiary Guarantor in accordance with Section 5.9, and the permitted successors and assigns of each such person.

"Tangible Book Value" means, as of any date of determination, (a) consolidated stockholders' equity of Parent and its Subsidiaries, minus (b) consolidated intangible assets (including goodwill) of Parent and its Subsidiaries, in each case determined in accordance with GAAP as of the last day of the month most recently ended prior to such date for which financial statements of Parent have been delivered pursuant to Section 5.1(a). For the avoidance of doubt, "stockholders' equity" includes both common and preferred equity.

"Tax" means any present or future tax, levy, impost, duty, assessment, charge, fee, deduction or withholding imposed by any Governmental Authority and any related interest, penalties and additions to tax.

"Tax Treatment" has the meaning specified in Section 2.16(i).

"Terminated Lender" has the meaning specified in Section 2.19.

"UCC" means the Uniform Commercial Code enacted in the State of New York, as amended from time to time; provided that if by reason of mandatory provisions of law, the perfection, the effect of perfection or non-perfection or priority of, or remedies with respect to a security interest is governed by the Uniform Commercial Code or other personal property security laws of any jurisdiction other than the State of New York, "UCC" shall mean the Uniform Commercial Code or other personal property security laws as in effect in such other jurisdiction solely for the purposes of the provisions hereof relating to such perfection, priority or remedies and for the definitions related to such provisions.

"UK Financial Institution" means any BRRD Undertaking (as such term is defined under the PRA Rulebook (as amended form time to time) promulgated by the United Kingdom Prudential Regulation Authority) or any person falling within IFPRU 11.6 of the FCA Handbook (as amended from time to time) promulgated by the United Kingdom Financial Conduct Authority, which includes certain credit institutions and investment firms, and certain affiliates of such credit institutions or investment firms.

"UK Resolution Authority" means the Bank of England or any other public administrative authority having responsibility for the resolution of any UK Financial Institution.

"Unencumbered Asset Equity Pledge Subsidiary" means each Unencumbered Asset (Long Term) Equity Pledge Subsidiary and each Unencumbered Asset (Short Term) Equity Pledge Subsidiary,

"Unencumbered Asset (Long Term) Equity Pledge Subsidiary" means each Subsidiary listed on Schedule 1.1(f) and the permitted successors and assigns of each such person.

"Unencumbered Asset (Short Term) Equity Pledge Subsidiary" means each Subsidiary listed on Schedule 1.1(g) and the permitted successors and assigns of each such person.

"U.S. Tax Compliance Certificate" has the meaning specified in Section 2.16(c).

"Warehouse Facility" means any financing arrangement of any kind, including, but not limited to, financing arrangements in the form of repurchase facilities, loan agreements, note issuance facilities and commercial paper facilities (excluding in all cases, any Securitization), with a financial institution or other lender or purchaser exclusively to (i) finance or refinance the purchase, investment in or funding by Parent or a Subsidiary of Parent of, provide funding to Parent or a Subsidiary of Parent through the transfer of, loans, mortgage related securities and other mortgage-related receivables purchased or invested in by Parent or any Subsidiary of Parent in the ordinary course of business; (ii) finance or refinance the purchase, investment in or funding by Parent or a Subsidiary of Parent of, provide funding to Parent or a Subsidiary of Parent through the transfer of, loans, consumer loan-related securities and other consumer loan-related receivables purchased or invested in by Parent or any Subsidiary of Parent in the ordinary course of business; (iii) finance the funding of or refinance Servicing Advances; or (iv) finance or refinance the carrying of REO Assets related to loans and other mortgage-related receivables purchased or invested in by Parent or any Subsidiary of Parent; provided that such purchase, investment, pooling, funding, refinancing and carrying is in the ordinary course of business.

"Warehouse Facility Trusts" means any Person (whether or not a Subsidiary of Parent) established for the purpose of issuing notes or other securities in connection with a Warehouse Facility, which (i) notes and securities are backed by specified Servicing Advances purchased by such Person from Parent or any Subsidiary, or (ii) notes and securities are backed by specified mortgage loans purchased by such Person from Parent or any Subsidiary.

"Warrants" means the warrants entitling the holders thereof to purchase an aggregate of 43,441,606 shares of Common Stock (or such greater number to the extent provided in the Warrant) to be delivered to, and registered in the name of, the Lenders on the Effective Date or the Second Draw Date, as applicable.

"Weighted Average Life to Maturity" means, when applied to any Indebtedness at any date, the number of years obtained by dividing: (i) the product obtained by multiplying (y) the amount of each then remaining installment, sinking fund, serial maturity or other required payments of principal, including payment at final maturity, in respect thereof, by (z) the number of years (calculated to the nearest one-twelfth) that will elapse between such date and the making of such payment; by (ii) the then outstanding principal amount of such Indebtedness.

"Wholly-Owned Subsidiary" means, with respect to any Person, any other Person all of the Equity Interest of which (other than (x) directors' qualifying shares required by law and (y)

shares issued to foreign nationals to the extent required by applicable law) is owned by such Person directly and/or through other Wholly-Owned Subsidiaries.

"Write-Down and Conversion Powers" means, (a) with respect to any EEA Resolution Authority, the write-down and conversion powers of such EEA Resolution Authority from time to time under the Bail-In Legislation for the applicable EEA Member Country, which write-down and conversion powers are described in the EU Bail-In Legislation Schedule, and (b) with respect to the United Kingdom, any powers of the applicable Resolution Authority under the Bail-In Legislation to cancel, reduce, modify or change the form of a liability of any UK Financial Institution or any contract or instrument under which that liability arises, to convert all or part of that liability into shares, securities or obligations of that person or any other person, to provide that any such contract or instrument is to have effect as if a right had been exercised under it or to suspend any obligation in respect of that liability or any of the powers under that Bail-In Legislation that are related to or ancillary to any of those powers.

Section 1.2 Accounting Terms. Except as otherwise expressly provided herein, all accounting terms not otherwise defined herein shall have the meanings assigned to them in conformity with GAAP. Financial statements and other information required to be delivered by Parent to Lenders pursuant to Sections 5.1(a), 5.1(b) and 5.1(c) shall be prepared in accordance with GAAP as in effect at the time of such preparation; provided that, if Parent notifies the Administrative Agent that Parent requests an amendment to any provision hereof to eliminate the effect of a change occurring after the Effective Date in GAAP or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance with this Agreement. Notwithstanding anything to the contrary in this Agreement or any other Loan Document, (a) the adoption of ASU 2016-02 shall be ignored for purposes of this Agreement such that (i) Capitalized Lease Obligations shall specifically exclude any operating lease liabilities (regardless of whether such operating leases were in effect on the date ASU 2016-02 was adopted or were entered into thereafter or after the Effective Date) under GAAP as in effect immediately prior to the adoption of ASU 2016-02 and (ii) related operating lease assets shall similarly not be considered Capitalized Lease Obligations and continue to be treated as operating lease assets, and (b) if at any time the obligations of any Person in respect of an operating lease are otherwise required to be characterized or recharacterized as capital or finance lease obligations as a result of a change in GAAP after the Effective Date, then for purposes hereof such person's obligations under such operating lease shall not, notwithstanding such characterization or recharacterization, be deemed Capitalized Lease Obligations.

Section 1.3 Interpretation, Etc. Any of the terms defined herein may, unless the context otherwise requires, be used in the singular or the plural, depending on the reference. References herein to any Article, Section, Schedule or Exhibit shall be to an Article, a Section, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word "include" or "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar

import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "will" shall be construed to have the same meaning and effect as the word "shall"; and the words "asset" and "property" shall be construed as having the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. The terms lease and license shall include sub-lease and sub-license, as applicable. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Except as otherwise expressly provided herein or therein, any reference in this Agreement or any other Loan Document to any agreement, document or instrument shall mean such agreement, document or instrument as amended, restated, supplemented or otherwise modified from time to time, in each case, in accordance with the express terms of this Agreement or such Loan Document.

Section 1.4 Timing of Payment or Performance. Except as otherwise expressly provided herein, when the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment or performance shall extend to the immediately succeeding Business Day (other than with respect to the applicable Maturity Date, which such payment or performance shall be required on the immediately preceding Business Day).

ARTICLE II

THE FACILITY

Section 2.1 Term Loan Facility.

(a) Commitments.

(i) Subject to the terms and conditions hereof, each Lender severally agrees to make on the Effective Date an Effective Date Term Loan to Parent in an amount equal to such Lender's Pro Rata Share relative to the total amount of Borrowings specified in the Borrowing Notice with respect thereto, up to the amount of such Lender's Effective Date Term Loan Commitment.

(ii) Subject to the terms hereof, each Lender with a Second Draw Term Loan Commitment severally agrees to make on the Second Draw Date a Second Draw Term Loan to Parent in an amount equal to such Lender's Second Draw Term Loan Commitment.

(iii) Any amount borrowed under this Section 2.1(a) and subsequently repaid or prepaid may not be reborrowed. Subject to Sections 2.9(a) and 2.10, all amounts owed hereunder with respect to the Initial Term Loans shall be paid in full no later than the Initial Term Loan Maturity Date. Each Lender's Effective Date Term Loan Commitment shall terminate immediately and without further action to the extent not drawn on the Effective Date, and each Lender's Second Draw Term Loan Commitment

shall terminate immediately and without further action to the extent not drawn on the Second Draw Date. The aggregate amount of Effective Date Term Loans requested in the Borrowing Notice on the Effective Date shall not exceed the aggregate amount of Effective Date Term Loan Commitments, and the aggregate amount of Second Draw Term Loans requested in the Borrowing Notice on the Second Draw Date shall not exceed the aggregate amount of Second Draw Term Loan Commitments.

(iv) Subject to the terms and conditions hereof, each New Term Loan Lender having a New Term Loan Commitment severally agrees to make on the applicable Increased Amount Date a New Term Loan to Parent, in an aggregate principal amount not to exceed its New Term Loan Commitment and otherwise on the terms and subject to the conditions set forth in any Joinder Agreement to which such New Term Loan Lender may become a party.

(b) Borrowing Mechanics.

(i) Parent shall deliver to the Administrative Agent a fully executed Borrowing Notice with respect to the Effective Date Term Loans no later than 11:00 a.m. (New York City time), one (1) Business Day prior to the Effective Date or on such shorter notice as to which the Administrative Agent reasonably agrees. Promptly upon receipt by the Administrative Agent of such Borrowing Notice, the Administrative Agent shall notify each Lender of the proposed Borrowing.

(ii) No Borrowing Notice shall be required with respect to the Second Draw Term Loans. Each Lender with a Second Draw Term Loan Commitment hereby agrees to make the Second Draw Term Loans on the Second Draw Date without any requirement for further notice or satisfaction of any conditions precedent.

(iii) Each Lender shall make its Effective Date Term Loan available to the Administrative Agent in an amount based on its Pro Rata Share of Borrowings under the Borrowing Notice in accordance with Section 2.2 not later than 12:00 p.m. (New York City time) on the Effective Date, by wire transfer of same day funds in Dollars, to the Principal Office designated by the Administrative Agent. Upon receipt of all requested funds and satisfaction or waiver of the conditions precedent specified herein, the Administrative Agent shall make the proceeds of the Effective Date Term Loans available to Parent on the Effective Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Loans received by the Administrative Agent from Lenders to be credited by wire transfer to the account of Parent as may be designated in writing to the Administrative Agent by Parent.

(iv) Each Lender shall make its Second Draw Term Loan available to the Administrative Agent in an amount based on its Second Draw Term Loan Commitment in not later than 12:00 p.m. (New York City time) on the Second Draw Date, by wire transfer of same day funds in Dollars, to the Principal Office designated by the Administrative Agent. Upon receipt of all requested funds, the Administrative Agent shall make the proceeds of the Second Draw Term Loans available to Parent on the Second Draw Date by causing an amount of same day funds in Dollars equal to the

proceeds of all such Loans received by the Administrative Agent from Lenders to be credited by wire transfer to the account of Parent as may be designated in writing to the Administrative Agent by Parent.

(v) Each New Term Loan Lender shall make its New Term Loan available to the Administrative Agent in an amount based on its Pro Rata Share of Borrowings under the Borrowing Notice in accordance with Section 2.2 not later than 12:00 p.m. (New York City time) on the applicable Increased Amount Date, by wire transfer of same day funds in Dollars, at the Principal Office designated by the Administrative Agent. Upon receipt of all requested funds and satisfaction or waiver of the conditions precedent specified herein, the Administrative Agent shall make the proceeds of the New Term Loans available to Parent on such Increased Amount Date by causing an amount of same day funds in Dollars equal to the proceeds of all such Loans received by the Administrative Agent from the New Term Loan Lenders to be credited by wire transfer to the account of Parent as may be designated in writing to the Administrative Agent by Parent.

Section 2.2 Pro Rata Shares; Availability of Funds.

(a) Pro Rata Shares. All Loans shall be made by Lenders simultaneously and proportionately to their respective Pro Rata Shares, it being understood that no Lender shall be responsible for any default by any other Lender in such other Lender's obligation to make a Loan requested hereunder nor shall any Commitment of any Lender be increased or decreased as a result of a default by any other Lender in such other Lender's obligation to make a Loan requested hereunder.

(b) Availability of Funds. Unless the Administrative Agent shall have been notified in writing by any Lender prior to the Effective Date, Second Draw Date or Increased Amount Date, as applicable, that such Lender does not intend to make available to the Administrative Agent the amount of such Lender's Loan requested on such date, the Administrative Agent may assume that such Lender has made such amount available to the Administrative Agent on the Effective Date, Second Draw Date or Increased Amount Date, as applicable, and the Administrative Agent may, in its sole discretion, but shall not be obligated to, make available to Parent a corresponding amount on such date. If such corresponding amount is not in fact made available to the Administrative Agent by such Lender, the Administrative Agent shall be entitled to recover such corresponding amount on demand from such Lender together with interest thereon, for each day from the Effective Date, Second Draw Date or Increased Amount Date, as applicable, until the date such amount is paid to the Administrative Agent, at the customary rate set by the Administrative Agent for the correction of errors among banks. If such Lender does not pay such corresponding amount forthwith upon the Administrative Agent's demand therefor, the Administrative Agent shall promptly notify Parent and Parent shall immediately pay such corresponding amount to the Administrative Agent together with interest thereon, for each day from the Effective Date, Second Draw Date or Increased Amount Date, as applicable, until the date such amount is paid to the Administrative Agent, at the rate payable hereunder pursuant to Section 2.5(a). Nothing in this Section 2.2(b) shall be deemed to relieve any Lender from its obligation to fulfill its Commitment hereunder or to prejudice any rights that Parent may have against any Lender as a result of any default by such Lender hereunder.

Section 2.3 Use of Proceeds. The proceeds of the Loans made on the Effective Date and on the Second Draw Date shall be applied by Parent to (a) repay one or more existing credit facilities, (b) fund working capital and other general corporate purposes of Parent and its Subsidiaries and (c) pay fees and expenses incurred in connection with the foregoing.

Section 2.4 Evidence of Debt; Register; Lenders' Books and Records; Notes.

(a) Lenders' Evidence of Debt. Each Lender shall maintain on its internal records an account or accounts evidencing the Obligations of Parent to such Lender, including the amounts of the Loans made by it and each repayment and prepayment in respect thereof. Any such recordation shall be conclusive and binding on Parent, absent manifest error; provided that the failure to make any such recordation, or any error in such recordation, shall not affect Parent's Obligations in respect of any applicable Loans; and provided, further, that in the event of any inconsistency between the Register and any Lender's records, the recordations in the Register shall govern.

(b) Register. The Administrative Agent (or its agent or sub-agent appointed by it), acting solely for this purpose as a non-fiduciary agent of Parent, shall maintain at one of its offices a register for the recordation of the names and addresses of Lenders and the principal and interest amounts of Loans of each Lender from time to time (the "Register"). The Register shall be available for inspection by Parent or any Lender (with respect to any entry relating to such Lender's Loans) at any reasonable time and from time to time upon reasonable prior written notice. The Administrative Agent shall record, or shall cause to be recorded, in the Register the Loans in accordance with the provisions of Section 10.6(f), and each repayment or prepayment in respect of the principal amount of the Loans (and related interest amounts), and any such recordation shall be conclusive and binding on Parent and each Lender, absent manifest error. Parent, the Administrative Agent and Lenders shall treat the Persons listed as Lenders in the Register as the holders and owners of the corresponding Commitments and Loans listed therein for all purposes hereof (notwithstanding notice to the contrary), and no assignment or transfer of any such Commitment or Loan shall be effective, in each case, unless and until recorded in the Register following receipt of a fully executed Assignment Agreement effecting the assignment or transfer thereof, together with the required forms and certificates regarding tax matters and any fees payable in connection with such assignment, in each case, as provided in Section 10.6(c). The date of such recordation of a transfer shall be referred to herein as the "Assignment Effective Date". Any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is listed in the Register as a Lender shall be conclusive and binding on any subsequent holder, assignee or transferee of the corresponding Commitments or Loans.

(c) Notes. If so requested by any Lender by written notice to Parent (with a copy to the Administrative Agent) prior to the Effective Date, the Second Draw Date or the Increased Amount Date, as applicable, or at any time thereafter, Parent shall execute and deliver to such Lender (and/or, if applicable and if so specified in such notice, to any Person who is an assignee of such Lender pursuant to Section 10.6) on the Effective Date, the Second Draw Date or the Increased Amount Date, as applicable (or, if such notice is delivered after such date, promptly after Parent's receipt of such notice) a Note or Notes to evidence such Lender's Loan.

Section 2.5 Interest.

(a) Except as otherwise set forth herein, each Initial Term Loan shall bear interest on the unpaid principal amount thereof from the date made through repayment (whether by acceleration or otherwise) thereof at a rate per annum equal to 11.0%.

(b) Interest payable pursuant to Section 2.5(a) shall be computed on the basis of a 365-day year (or a 366-day year, as applicable) for the actual number of days elapsed in the period during which it accrues. In computing interest on any Loan, the initial date the Loan is made and thereafter the last Payment Date with respect to such Loan shall be included, and the date of payment of such Loan or interest applicable to such Loan, as the case may be, shall be excluded; provided that if a Loan is repaid on the same day on which it is made, one day's interest shall be paid on that Loan.

(c) Except as otherwise set forth herein, interest on each Loan (i) shall accrue on a daily basis and shall be payable in arrears on each Payment Date with respect to interest accrued on and to each such Payment Date; (ii) shall accrue on a daily basis and shall be payable in arrears upon any prepayment of such Loan, whether voluntary or mandatory, to the extent accrued on the amount being prepaid; and (iii) shall accrue on a daily basis and shall be payable in arrears at maturity of such Loan, including final maturity of such Loan.

Section 2.6 Exercise of Warrants. For so long as any Lender is the holder of a Warrant and Loans in a principal amount exceeding the aggregate Exercise Price of such Warrant, such Lender may pay the Exercise Price of such Warrant, at its election, by a reduction in the principal amount of the Loans held by such Lender. Such Lender shall provide Parent and the Administrative Agent with notice of any such reduction in the principal amount of the Loans held by such Lender in connection with the exercise of such Warrant, and the Administrative Agent shall record, or shall cause to be recorded, in the Register such reduction.

Section 2.7 Default Interest. Upon the occurrence and during the continuance of an Event of Default, the principal amount of all Loans outstanding and, to the extent permitted by applicable law, any interest payments on the Loans or any fees or other amounts owed hereunder that, in either case, are then overdue, shall thereafter bear interest (including post-petition interest in any proceeding under the Bankruptcy Code or other applicable bankruptcy laws or any other act or law pertaining to insolvency or debtor relief, whether state, federal or foreign) payable on demand by the Administrative Agent at a rate (the "Default Rate") that is 2.00% per annum in excess of the interest rate otherwise payable hereunder with respect to the applicable Loans. Payment or acceptance of the increased rates of interest provided for in this Section 2.7 is not a permitted alternative to timely payment and shall not constitute a waiver of any such Event of Default or otherwise prejudice or limit any rights or remedies of the Administrative Agent or any Lender.

Section 2.8 Payments. The principal amount of the Initial Term Loans shall be repaid in consecutive quarterly installments (each, an "Installment") on each Payment Date, commencing March 31, 2021, in an amount equal to 0.25% of the outstanding principal amount of the Initial Term Loans, and the balance of the Initial Term Loans shall be repaid at the Initial Term Loan Maturity Date. In the event any New Term Loans are made, such New Term Loans

shall be repaid after the applicable Increased Amount Date based on an amortization schedule, if any, determined by Parent and the applicable holders of the New Term Loans.

Notwithstanding the foregoing, (x) such amounts owed hereunder shall be reduced in connection with any voluntary or mandatory prepayments of the Loans, in accordance with Sections 2.9, 2.10 and 2.11, as applicable; and (y) the Loans, together with all other amounts owed hereunder with respect thereto, shall, in any event, be paid in full no later than the applicable Maturity Date.

Section 2.9 Voluntary Prepayments.

(a) Subject to Section 2.9(b), Parent may, upon written notice to the Administrative Agent (a "Prepayment Notice"), at any time and from time to time on any Business Day voluntarily prepay the Loans in whole or in part, in an aggregate minimum principal amount of $1,000,000 and integral multiples of $250,000 in excess of that amount.

(b) All such prepayments shall be made upon not less than one (1) Business Day's prior written notice (or such shorter period as agreed by the Administrative Agent) in the form of a written Prepayment Notice and given to the Administrative Agent by 12:00 noon (New York City time) on the date required (and the Administrative Agent shall promptly notify each Lender of such Prepayment Notice and the amount of each Lender's ratable share of such prepayment). Upon the giving of any such Prepayment Notice, the principal amount of the Loans specified in such notice shall become due and payable on the prepayment date specified therein; provided that a Prepayment Notice may state that such notice is conditioned upon the effectiveness of another credit facility or the closing of a securities offering or other transaction, in which case such notice may be revoked by written notice to the Administrative Agent on or prior to the specified prepayment date if such condition is not satisfied. Any such voluntary prepayment shall be applied as specified in Section 2.11.

Section 2.10 Mandatory Prepayment.

(a) Issuance or Incurrence of Debt.

(i) On the date of receipt by Parent, any other Loan Party or any of their respective Restricted Subsidiaries of any Net Cash Proceeds from the issuance or incurrence of any Indebtedness of Parent, any other Loan Party or any of their respective Restricted Subsidiaries (other than with respect to any Indebtedness permitted to be incurred pursuant to Section 6.1), Parent shall prepay the Loans in an aggregate amount equal to 100% of such Net Cash Proceeds.

(ii) No later than three (3) Business Days following the date of receipt by Parent or any other Loan Party of any Net Cash Proceeds from the issuance or incurrence of any Indebtedness of Parent or any other Loan Party pursuant to Sections 2.20 or 6.1(a)(ii), Parent shall prepay the Initial Term Loans in an aggregate principal amount equal to 100% of such Net Cash Proceeds.

(b) Issuance of Any Disqualified Equity Interests. No later than three (3) Business Days following the date of receipt by Parent of any Net Cash Proceeds from the

Business Days following the date of receipt by Parent of any Net Cash Proceeds from the

issuance of any Disqualified Equity Interests, Parent shall prepay the Loans in an aggregate principal amount equal to 100% of such Net Cash Proceeds.

(c) Available Excess Cash. If Tangible Book Value as of the last day of any month for which financial statements of Parent are required to have been delivered pursuant to Section 5.1(a) is less than the lesser of (i) $3,150,000,000 and (ii) the amount that is 5.25 times the sum of (A) the aggregate outstanding principal amount of Indebtedness incurred pursuant to Section 6.1(a)(ii) plus (B) the outstanding principal amount of Loans hereunder, then Parent shall apply all Available Excess Cash from such month within seven (7) Business Days of the date monthly financial statements are required to be delivered pursuant to Section 5.1(a) (the "Excess Cash Flow Trigger Date") to prepay the Loans, and within three (3) Business Days of the date monthly financial statements are required to be delivered pursuant to Section 5.1(a) in each month thereafter until, after giving effect to such prepayments and all other prepayments and repayments of the Loans made on or after the Excess Cash Flow Trigger Date, an amount equal to at least 25% of the aggregate principal amount of Loans hereunder outstanding on the Excess Cash Flow Trigger Date has been prepaid (the "Excess Cash Flow End Date"). During any period commencing on an Excess Cash Flow Trigger Date and ending on the Excess Cash Flow End Date, Parent and its Subsidiaries shall (v) cease (1) the origination of residential mortgage loans through the correspondent origination channel and (2) making Investments in MSRs and "excess" MSRs other than those originated by a Subsidiary of Parent, unless, in either case, Parent or the applicable Subsidiary has entered into a binding written commitment with respect thereto prior to the relevant Excess Cash Flow Trigger Date, (w) not enter into any binding commitment to make any Investments other than (1) commitments that are fully financed or (2) commitments that only require payment following the Excess Cash Flow End Date, (x) not be permitted to maintain operating reserves for cash needs for the hedging asset portfolio in excess of $25,000,000, (y) not maintain operating reserves for liquidity required by Specified Government Entities in excess of the minimum required amount and (z) only maintain operating reserves for general corporate purposes to the extent required to operate the business of the Parent and its Subsidiaries in the ordinary course of business and consistent with past practice.

(d) Sale, Transfer or Other Disposition of NewRez. No later than three (3) Business Days following the date of receipt by Parent or any other Loan Party of any Net Cash Proceeds from the sale, transfer or other disposition (whether in a single transaction, multiple transactions or a series of related transactions), directly or indirectly, of any Equity Interests in NewRez or any of its Subsidiaries that hold material assets, or any material assets of NewRez or its Subsidiaries, to any Person other than Parent or any other Loan Party outside of the ordinary course of business (it being understood that sales, transfers or other dispositions of mortgages, MSRs, "excess" MSRs, to-be-announced mortgage-backed securities and Servicing Advances are in the ordinary course of business for NewRez and its Subsidiaries), Parent shall prepay the Loans in an aggregate principal amount equal to 100% of such Net Cash Proceeds.

(e) Equity Cure. No later than three (3) Business Days following the date of receipt by Parent of any Cure Amount from the issuance of any Equity Interests pursuant to Section 8.2, Parent shall prepay the Loans in an aggregate principal amount equal to 90% of such Cure Amount.

(f) Sale, Transfer or Other Disposition of Unencumbered Asset Equity Pledge Subsidiary Equity Interests or Assets. No later than three (3) Business Days following the date of receipt by Parent, any other Loan Party or any Unencumbered Asset Equity Pledge Subsidiary of any Net Cash Proceeds from the sale, transfer or other disposition (whether in a single transaction, multiple transactions or a series of related transactions), directly or indirectly, of (i) any Equity Interests in an Unencumbered Asset Equity Pledge Subsidiary to any Person other than Parent or any other Loan Party or (ii) any asset of an Unencumbered Asset (Long Term) Equity Pledge Subsidiary to any Person other than another Unencumbered Asset (Long Term) Equity Pledge Subsidiary (but only to the extent the Net Cash Proceeds from the sale, transfer or other disposition of such assets are not retained or invested by such Unencumbered Asset (Long Term) Equity Pledge Subsidiary or another Unencumbered Asset (Long Term) Equity Pledge Subsidiary), Parent shall prepay the Loans in an aggregate principal amount equal to 100% of such Net Cash Proceeds.

(g) Prepayment Notice and Certificate. All such prepayments pursuant to clause (a), (b), (c), (d), (e) or (f) above shall be made upon not less than one (1) Business Day's prior written notice (or such shorter period as agreed by the Administrative Agent) in the form of a written Prepayment Notice given to the Administrative Agent by 12:00 noon (New York City time) on the date required (and the Administrative Agent shall promptly notify each Lender of such Prepayment Notice and the amount of each Lender's ratable share of such prepayment). Concurrently with any prepayment of the Loans pursuant to clause (a), (b), (c), (d), (e) or (f) above, Parent shall deliver to the Administrative Agent a certificate of an Authorized Officer demonstrating the calculation of the amount required to be used to prepay the Loans.

Section 2.11 Application of Prepayments.

(a) Any prepayment of Loans pursuant to Section 2.9(a) shall be applied as follows:

first, to prepay Loans on a pro rata basis (in accordance with the respective outstanding principal amounts thereof) and further applied to the remaining scheduled Installments of principal of the Loans as directed by Parent (or, if no such direction is given, then in direct order of maturity);

second, to pay any accrued and unpaid interest and any other amounts in respect of the Loans outstanding on a pro rata basis (in accordance with the respective outstanding principal amounts thereof); and

third, to satisfy any other outstanding Obligations of Parent on a pro rata basis hereunder by the amount of such prepayment remaining.

(b) Any prepayment of Loans pursuant to Section 2.10 (other than clause (a)(ii) thereof) shall be applied as follows:

first, to prepay Loans and, if required by the definitive documentation with respect thereto, the aggregate outstanding principal amount of Indebtedness incurred pursuant to Section 6.1(a)(ii), on a pro rata basis (in accordance with the

respective outstanding principal amounts thereof) and further applied to the

remaining scheduled Installments of principal of the Loans in direct order of maturity;

second, to pay any accrued and unpaid interest and any other amounts outstanding in respect of the Loans and, if required by the definitive documentation with respect thereto, the aggregate outstanding principal amount of Indebtedness incurred pursuant to Section 6.1(a)(ii), on a pro rata basis (in accordance with the respective outstanding principal amounts thereof); and

third, to satisfy any other outstanding Obligations of Parent on a pro rata basis hereunder by the amount of such prepayment remaining.

(c) Any prepayment of Initial Term Loans pursuant to Section 2.10(a)(ii) shall be applied as follows:

first, to prepay Initial Term Loans on a pro rata basis (in accordance with the respective outstanding principal amounts thereof) and further applied to the remaining scheduled Installments of principal of the Initial Term Loans in direct order of maturity;

second, to pay any accrued and unpaid interest and any other amounts in respect of the Initial Term Loans outstanding on a pro rata basis (in accordance with the respective outstanding principal amounts thereof); and

third, to satisfy any other outstanding Obligations of Parent in respect of the Initial Term Loans on a pro rata basis hereunder by the amount of such prepayment remaining.

Section 2.12 General Provisions Regarding Payments.

(a) All payments by Parent of principal, interest, fees and other Obligations shall be made in Dollars in same day funds, without defense, setoff or counterclaim, free of any restriction or condition, and delivered to the Administrative Agent not later than 2:00 p.m. (New York City time) on the date due at the Principal Office designated by the Administrative Agent for the account of Lenders. For purposes of computing interest and fees, funds received by the Administrative Agent after that time on such due date may, in the Administrative Agent's discretion, be deemed to have been paid by Parent on the next succeeding Business Day.

(b) All payments in respect of the principal amount of any Loan shall be accompanied by payment of accrued interest on the principal amount being repaid or prepaid, and all such payments (and, in any event, any payments in respect of any Loan on a date when interest is due and payable with respect to such Loan) shall be applied to the payment of interest then due and payable before application to principal.

(c) The Administrative Agent (or its agent or sub-agent appointed by it) shall promptly distribute to each Lender at such account as such Lender shall indicate in writing, such Lender's applicable Pro Rata Share of all payments and prepayments of principal and interest

due hereunder, together with all other amounts due thereto, including all fees payable with respect thereto, to the extent received by the Administrative Agent.

(d) [Reserved].

(e) Whenever any payment to be made hereunder with respect to any Loan shall be stated to be due on a day that is not a Business Day, such payment shall be subject to the provisions of Section 1.4.

(f) Parent hereby irrevocably waives the right to direct the application of any and all payments in respect of the Obligations and any proceeds of Collateral after the occurrence and during the continuance of an Event of Default and agrees that, notwithstanding the provisions of Section 2.11 above, the Administrative Agent may, and, upon either (A) the written direction of the Required Lenders or (B) the acceleration of the Obligations pursuant to Section 8.1 shall, apply all payments in respect of any Obligations in the following order:

first, to pay Obligations in respect of any expense reimbursements or indemnities then due to the Agents;

second, to pay Obligations in respect of any expense reimbursements or indemnities then due to the Lenders;

third, to pay Obligations in respect of any fees then due to the Agents and the Lenders;

fourth, to pay interest then due and payable in respect of the Loans, including interest due and payable at the Default Rate;

fifth, to pay or prepay principal amounts on the Loans, ratably to the aggregate principal amount of such Loans; and

sixth, to the ratable payment of all other Obligations;

provided, however, that if sufficient funds are not available to fund all payments to be made in respect of any Obligation described in any of the clauses above, the available funds being applied with respect to any such Obligation (unless otherwise specified in such clause) shall be allocated to the payment of such Obligation ratably, based on the proportion of the Administrative Agent's and each Lender's interest in the aggregate outstanding Obligations described in such clauses; The order of priority set forth in the clauses above may at any time and from time to time be changed by the agreement of the Required Lenders without necessity of notice to or consent of or approval by Parent, any Secured Party that is not a Lender or by any other Person that is not a Lender. The order of priority set forth in first, second and third clauses above may be changed with respect to amounts owing to the Administrative Agent only with the prior written consent of the Administrative Agent.

Section 2.13 Ratable Sharing. The Lenders hereby agree among themselves that, if any of them shall, whether by voluntary payment (other than a voluntary prepayment of Loans made and applied in accordance with the terms hereof), through the exercise of any right of set-off or

banker's lien, by counterclaim or cross action or by the enforcement of any right under the Loan Documents or otherwise, or as adequate protection of a deposit treated as cash collateral under the Bankruptcy Code, receive payment or reduction of a proportion of the aggregate amount of principal, interest, fees and other amounts then due and owing to such Lender hereunder or under the other Loan Documents (collectively, the "Aggregate Amounts Due" to such Lender) which is greater than the proportion received by any other Lender in respect of the Aggregate Amounts Due to such other Lender, then the Lender receiving such proportionately greater payment shall (a) notify, in writing, the Administrative Agent and each other Lender of the receipt of such payment and (b) apply a portion of such payment to purchase participations (which it shall be deemed to have purchased from each seller of a participation simultaneously upon the receipt by such seller of its portion of such payment) in the Aggregate Amounts Due to the other Lenders so that all such recoveries of Aggregate Amounts Due shall be shared by all Lenders in proportion to the Aggregate Amounts Due to them; provided that if all or part of such proportionately greater payment received by such purchasing Lender is thereafter recovered from such Lender upon the bankruptcy or reorganization of Parent or otherwise, those purchases shall be rescinded and the purchase prices paid for such participations shall be returned to such purchasing Lender ratably to the extent of such recovery, but without interest. Parent expressly consents to the foregoing arrangement and agrees that any holder of a participation so purchased may exercise any and all rights of banker's lien, set-off or counterclaim with respect to any and all monies owing by Parent to that holder with respect thereto as fully as if that holder were owed the amount of the participation held by that holder. The provisions of this Section 2.13 shall not be construed to apply to (a) any payment made by Parent pursuant to and in accordance with the express terms of this Agreement or (b) any payment obtained by any Lender as consideration for the assignment or sale of a participation in any of its Loans or other Obligations owed to it.

Section 2.14 [Reserved].

Section 2.15 Increased Costs; Capital Adequacy; Liquidity.

(a) Compensation for Increased Costs. In the event that any Lender shall determine (which determination shall, absent manifest error, be final and conclusive and binding upon all parties hereto) that any Change in Law (i) imposes, modifies or holds applicable any reserve (including any marginal, emergency, supplemental, special or other reserve), special deposit, compulsory loan, FDIC insurance or similar requirement against assets held by, or deposits or other liabilities in or for the account of, or advances or loans by, or other credit extended by, or any other acquisition of funds by, any office of such Lender, (ii) imposes any other condition (other than with respect to any Tax) on or affecting such Lender (or its applicable lending office) or its obligations hereunder or the London interbank market or (iii) subjects such Lender to any incremental Tax (other than a Tax indemnifiable under Section 2.16 or an Excluded Tax); and the result of any of the foregoing is to increase the cost to such Lender of agreeing to make, making or maintaining Loans hereunder or to reduce any amount received or receivable by such Lender (or its applicable lending office) with respect thereto; then, in any such case, Parent shall promptly pay to such Lender, upon receipt of the statement referred to in the next sentence, such additional amount or amounts (in the form of an increased rate of, or a different method of calculating, interest or otherwise as such Lender in its sole discretion shall determine) as may be necessary to compensate such Lender for any such increased cost or reduction in amounts received or receivable hereunder. Such Lender shall deliver to Parent (with

reduction in antibody recovery or recovery rate. Such Lender shall deliver to Parent (with

a copy to the Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to such Lender under this Section 2.15(a), which statement shall be conclusive and binding upon all parties hereto absent demonstrable error.

(b) Capital Adequacy or Liquidity Adjustment. In the event that any Lender shall have determined that the adoption, effectiveness, phase-in or applicability of any Change in Law regarding capital adequacy, liquidity or compliance by any Lender (or its applicable lending office) with any Change in Law regarding capital adequacy or liquidity has or would have the effect of reducing the rate of return on the capital of such Lender or any corporation controlling such Lender as a consequence of, or with reference to, such Lender's Loans, or participations therein or other obligations hereunder with respect to the Loans, to a level below that which such Lender or such controlling corporation could have achieved but for such adoption, effectiveness, phase-in, applicability, change or compliance (taking into consideration the policies of such Lender or such controlling corporation with regard to capital adequacy or liquidity), then from time to time, within five (5) Business Days after receipt by Parent from such Lender of the statement referred to in the next sentence, Parent shall pay to such Lender such additional amount or amounts as shall compensate such Lender or such controlling corporation on an after-tax basis for such reduction. Such Lender shall deliver to Parent (with a copy to the Administrative Agent) a written statement, setting forth in reasonable detail the basis for calculating the additional amounts owed to Lender under this Section 2.15(b), which statement shall be conclusive and binding upon all parties hereto absent manifest error.

(c) Delay in Requests. Failure or delay on the part of any Lender to demand compensation pursuant to this Section 2.15 shall not constitute a waiver of such Lender's right to demand such compensation, provided that Parent shall not be required to compensate a Lender pursuant to this Section 2.15 for any increased costs incurred or reductions suffered if such Lender fails to provide Parent with notice of such increased costs or reductions within ninety (90) days of such Lender actually incurring such increased costs (except that, if the Change in Law giving rise to such increased costs or reductions is retroactive, then the 90 (90) day period referred to above shall be extended to include the period of retroactive effect thereof).

Section 2.16 Taxes; Withholding, Etc.

(a) Payments to Be Free and Clear. All sums payable by or on behalf of any Loan Party hereunder or under the other Loan Documents shall (except to the extent required by law) be paid free and clear of, and without any deduction or withholding on account of, any Tax.

(b) Withholding of Taxes. If any Loan Party, the Administrative Agent or any other Person is required by law (as determined in the good faith discretion of the applicable withholding agent) to make any deduction or withholding on account of any Tax from any sum paid or payable by any Loan Party to the Administrative Agent or any Lender under any of the Loan Documents: (i) the applicable withholding agent shall be entitled to make such deduction or withholding and shall pay any such Tax to the relevant Governmental Authority in accordance with applicable law; (ii) if such Tax is an Indemnified Tax or Other Tax, the sum payable by such Loan Party in respect of which the relevant deduction, withholding or payment is required shall be increased to the extent necessary to ensure that, after the making of that deduction,

withholding or payment (including, in respect of any additional amounts payable under this Section 2.16), such Lender (or in a case where the Administrative Agent receives the payments for its own account, the Administrative Agent) receives a net sum equal to what it would have received had no such deduction, withholding or payment been required or made; and (iii) within thirty (30) days after any Loan Party has paid any Tax which any Loan Party is required by clause (i) above to pay, Parent shall deliver to the Administrative Agent the original or a certified copy of a receipt issued by the Governmental Authority evidencing such payment, a copy of the return reporting such payment, or other evidence reasonably satisfactory to Administrative Agent of such payment.

(c) Status of Lenders.

(i) Each Lender shall, at such times as are reasonably requested by Parent or the Administrative Agent, provide Parent and the Administrative Agent with any documentation prescribed by law, or reasonably requested by Parent or the Administrative Agent, certifying as to any entitlement of such Lender to an exemption from, or reduction in, withholding tax with respect to any payments to be made to such Lender under the Loan Documents, or otherwise required by Parent or the Administrative Agent to determine the extent to which any tax is required to be withheld; provided that a Lender will not be required to deliver any documentation with respect to any Tax (other than U.S. federal income or withholding, including backup withholding, taxes) to the extent such Lender determines, in its reasonable discretion, that delivering such documentation would be materially prejudicial to such Lender's legal or commercial position. Each such Lender shall, whenever a lapse in time or change in circumstances renders any documentation previously provided by such Lender under this Section 2.16(c) (including pursuant to paragraph (ii) below) expired, obsolete or inaccurate in any respect, promptly deliver to Parent and the Administrative Agent updated or other appropriate documentation (including any new documentation reasonably requested by Parent or the Administrative Agent) or promptly notify Parent and the Administrative Agent in writing of its legal inability to do so.

(ii) Without limiting the generality of the foregoing:

(1) Each Lender that is a United States person (as defined in Section 7701(a)(30) of the Internal Revenue Code) shall deliver to Parent and the Administrative Agent on or before the date on which it becomes a party to this Agreement (and from time to time thereafter upon the reasonable request of Parent or Administrative Agent) two properly completed and duly signed original copies of Internal Revenue Service Form W-9 (or any successor form) certifying that such Lender is exempt from U.S. federal backup withholding.

(2) Each Lender that is not a United States person (as defined in Section 7701(a)(30) of the Internal Revenue Code) shall deliver to Parent and the Administrative Agent on or before the date on which it becomes a party to this Agreement (and from time to time thereafter when required by Law

or upon the reasonable request of Parent or the Administrative Agent) whichever of the following is applicable:

(A) two duly completed copies of Internal Revenue Service Form W-8BEN-E or W-8BEN (or any successor forms) claiming eligibility for benefits of an income tax treaty to which the United States of America is a party,

(B) two duly completed copies of Internal Revenue Service Form W-8ECI (or any successor forms),

(C) in the case of a Lender claiming the benefits of the exemption for portfolio interest under Section 881(c) of the Internal Revenue Code, (I) a certificate, in substantially the form of Exhibit E-1, to the effect that such Lender is not (x) a "bank" within the meaning of Section 881(c)(3)(A) of the Internal Revenue Code, (y) a "10 percent shareholder" of Parent within the meaning of Section 881(c)(3)(B) of the Internal Revenue Code, or (z) a "controlled foreign corporation" described in Section 881(c)(3)(C) of the Internal Revenue Code, and that no payments in connection with the Loan Documents are effectively connected with such Lender's conduct of a U.S. trade or business (a "U.S. Tax Compliance Certificate") and (II) two duly completed copies of Internal Revenue Service Form W-8BEN-E or W-8BEN (or any successor forms),

(D) to the extent a Lender is not the beneficial owner (for example, where the Lender is a partnership, or a participating Lender that has transferred its beneficial ownership to a participant), Internal Revenue Service Form W-8IMY (or any successor forms) of the Lender, accompanied by a Form W-8ECI, W-8BEN-E or W-8BEN, U.S. Tax Compliance Certificate re Non-Bank Status substantially in the form of Exhibit E-2 or Exhibit E-3, Form W-9, Form W-8IMY (or other successor forms) or any other required information from each beneficial owner, as applicable (provided that, if the Lender is a partnership (and not a participating Lender) and one or more of the Lender's direct or indirect partners are claiming the portfolio interest exemption, the U.S. Tax Compliance Certificate re Non-Bank Status substantially in the form of Exhibit E-4 may be provided by such Lender on behalf of such direct or indirect partners), or

(E) any other form prescribed by applicable requirements of U.S. federal income tax law as a basis for claiming exemption from or a reduction in U.S. federal withholding tax duly completed together with such supplementary documentation as may be prescribed by applicable requirements of Law to permit Parent and the Administrative Agent to determine the withholding or deduction required to be made.

(iii) If a payment made to a Lender under any Loan Document would be subject to U.S. federal withholding Tax imposed by FATCA if such Lender were to fail to comply with the applicable reporting requirements of FATCA (including those contained in Section 1471(b) or 1472(b) of the Internal Revenue Code, as applicable),

such Lender shall deliver to Parent and the Administrative Agent at the time or times prescribed by law and at such time or times reasonably requested by Parent or the Administrative Agent such documentation prescribed by applicable law (including as prescribed by Section 1471(b)(3)(C)(i) of the Internal Revenue Code) and such additional documentation reasonably requested by Parent or the Administrative Agent as may be necessary for Parent and the Administrative Agent to comply with their FATCA obligations, to determine whether such Lender has or has not complied with such Lender's FATCA obligations and, if necessary, to determine the amount to deduct and withhold from such payment. Solely for purposes of the immediately preceding sentence, "FATCA" shall include any amendments made to FATCA after the date of this Agreement.

Notwithstanding any other provision of this Section 2.16(c), a Lender shall not be required to deliver any form that such Lender is not legally eligible to deliver.

Each Lender hereby authorizes the Administrative Agent to deliver to the Loan Parties and to any successor Administrative Agent any documentation provided by such Lender to the Administrative Agent pursuant to this Section 2.16(c).

(d) Refunds. If any party becomes aware that it is entitled to claim a refund from a Governmental Authority in respect of Taxes as to which Parent has paid additional amounts pursuant to Section 2.16(b) or indemnification payments pursuant to Section 2.16(g), it shall make reasonable efforts to timely so advise Parent and, if Parent so requests, to seek such refund at Parent's expense; provided, however, that no Lender shall be required to take any action hereunder which, in the sole discretion of such Lender, would cause such Lender or its applicable lending office to suffer a material economic, legal or regulatory disadvantage. If any party receives a payment of a refund (including pursuant to a claim for refund made pursuant to the preceding sentence) in respect of any Tax as to which Parent has paid additional amounts pursuant to Section 2.16(b) or indemnification payments under Section 2.16(g), it shall within ninety (90) days from the date of the receipt of such refund pay over the amount of such refund to Parent, net of all reasonable out-of-pocket expenses of such party (including any Taxes) and without interest (other than any interest paid by the relevant Governmental Authority with respect to such refund). Parent agrees to repay any amount paid over to Parent (plus penalties, interest or other reasonable charges paid by such Lender) to such Lender in the event such Lender is required to repay such refund to such Governmental Authority. This Section 2.16(d) shall not be construed to require a Lender to make available its Tax returns (or any other information relating to its Taxes which it deems confidential) to any Loan Party or any other Person.

(e) Contests. If Parent determines that a reasonable basis exists for contesting a Tax, Parent shall make reasonable efforts to timely advise the relevant Lender and at Parent's written request, the relevant Lender shall make reasonable efforts to cooperate with Parent in challenging such Tax at Parent's expense; provided, however, that no Lender shall be required to take any action hereunder which, in the sole discretion of such Lender, would cause such Lender or its applicable lending office to suffer a material economic, legal or regulatory disadvantage.

(f) Other Taxes. Without limiting or duplicating the provisions of Sections 2.16(a) or (b), Parent shall timely pay any Other Taxes to the relevant Governmental Authority in accordance with applicable law.

(g) Indemnification by Parent. Without limiting or duplicating the provisions of Sections 2.16(a), (b) or (f), Parent shall, within ten (10) days after written demand therefor, indemnify and hold harmless the Administrative Agent and each Lender from and against any Indemnified Taxes or Other Taxes payable by such Administrative Agent or Lender, including any Indemnified Taxes or Other Taxes imposed on or with respect to any additional amounts or indemnification payments made under this Section 2.16, and any reasonable expenses related thereto, whether or not such Indemnified Taxes or Other Taxes are correctly or legally imposed or asserted by the applicable Governmental Authority. A certificate as to the amount of any such Tax (along with a written statement setting forth in reasonable detail the basis and calculation of such amounts) delivered to Parent by a Lender, or by the Administrative Agent on its own behalf or on behalf of a Lender, shall be conclusive absent manifest error.

(h) Survival. Each party's obligations under this Section shall survive the resignation or replacement of the Administrative Agent or any assignment of rights by, or the replacement of, a Lender, the termination of the Commitments and the repayment, satisfaction or discharge of all obligations under any Loan Document.

(i) Allocation; Tax Treatment. The Lenders and Parent acknowledge that concurrently herewith the Lenders holding Effective Date Term Loan Commitments and Second Draw Term Loan Commitments are acquiring the Warrants and agree that $27,625,512 of the issue price paid by the Lenders holding Effective Date Term Loan Commitments under this Agreement shall be allocated to and treated as consideration for the Warrants delivered to such Lenders rather than the Effective Date Term Loans, increasing the amount of "original issue discount" on the Effective Date Term Loans by such amount, and $25,843,221 of the issue price paid by the Lenders holding Second Draw Term Loan Commitments under this Agreement shall be allocated to and treated as consideration for the Warrants delivered to such Lenders rather than the Second Draw Term Loans, increasing the amount of "original issue discount" on the Second Draw Term Loans by such amount (such allocation, the "Allocation"). The Lenders, Parent and the Administrative Agent also agree that the Loans are not treated as "contingent payment debt instruments" within the meaning of Treasury Regulation Section 1.1275-4 and that the Loans do not bear any "contingent interest" within the meaning of Section 871(h)(4) of the Code (the "Tax Treatment"). The Lenders, Parent and the Administrative Agent shall file or cause to be filed all federal, state and local tax returns consistent with the Tax Treatment and the Allocation, unless otherwise required by law.

Section 2.17 Obligation to Mitigate. Each Lender agrees that, as promptly as practicable after the officer of such Lender responsible for administering its Loans becomes aware of the occurrence of an event or the existence of a condition that would entitle such Lender to receive payments under Sections 2.15 or 2.16, it shall, to the extent not inconsistent with any applicable legal or regulatory restrictions, use reasonable efforts to (a) make, issue, fund or maintain its Loans through another office of such Lender or (b) take such other measures as such Lender may deem reasonable, if as a result thereof the circumstances which would cause the additional amounts which would otherwise be required to be paid to such Lender pursuant to

Sections 2.15 or 2.16 would be reduced and if, as determined by such Lender in its sole discretion, the making, issuing, funding or maintaining of such Loans through such other office or in accordance with such other measures, as the case may be, would not otherwise adversely affect such Loans or the interests of such Lender; provided that such Lender shall not be obligated to utilize such other office or take such other measures pursuant to this Section 2.17 unless Parent agrees to pay all incremental expenses incurred by such Lender as a result of utilizing such other office or taking such other measures as described above. A certificate as to the amount of any such expenses payable by Parent pursuant to this Section 2.17 (setting forth in reasonable detail the basis for requesting such amount) submitted by such Lender to Parent (with a copy to the Administrative Agent) shall be conclusive absent manifest error.

Section 2.18 [Reserved].

Section 2.19 Removal or Replacement of Lender. Anything contained herein to the contrary notwithstanding, in the event that: (i) any Lender (an "Increased Cost Lender") shall give notice to Parent that such Lender is entitled to receive payments under Sections 2.15 or 2.16, (ii) the circumstances which entitle such Lender to receive such payments shall remain in effect and (iii) such Lender shall fail to withdraw such notice within five (5) Business Days after Parent's request for such withdrawal, then, with respect to each such Increased Cost Lender (the "Terminated Lender"), Parent may, by giving written notice to the Administrative Agent and any Terminated Lender of its election to do so, elect to cause such Terminated Lender (and such Terminated Lender hereby irrevocably agrees) to assign its outstanding Loans in full to one (1) or more Eligible Assignees (each a "Replacement Lender") in accordance with the provisions of Section 10.6 and Parent shall pay the fees, if any, payable thereunder in connection with any such assignment from an Increased Cost Lender; provided that (1) on the date of such assignment, the Replacement Lender shall pay to the Terminated Lender an amount equal to the sum of an amount equal to the principal of, and all accrued interest on, all outstanding Loans of the Terminated Lender and (2) on the date of such assignment, Parent shall pay any amounts payable to such Terminated Lender pursuant to Sections 2.15 or 2.16; or otherwise as if it were a prepayment. Upon the prepayment of all amounts owing to any Terminated Lender, such Terminated Lender shall no longer constitute a "Lender" for purposes hereof; provided that any rights of such Terminated Lender to additional amounts and indemnification hereunder shall survive as to such Terminated Lender. Each Lender agrees that if Parent exercises its option hereunder to cause an assignment by such Lender as a Terminated Lender, such Lender shall, promptly after receipt of written notice of such election, execute and deliver all documentation necessary to effectuate such assignment in accordance with Section 10.6. In the event that a Lender does not comply with the requirements of the immediately preceding sentence within one (1) Business Day after receipt of such notice, each Lender hereby authorizes and directs the Administrative Agent to execute and deliver such documentation as may be required to give effect to an assignment in accordance with Section 10.6 on behalf of a Terminated Lender and any such documentation so executed by the Administrative Agent shall be effective for purposes of documenting an assignment pursuant to Section 10.6

Section 2.20 Incremental Facilities.

(a) Parent may by written notice to the Administrative Agent elect to request the establishment of one (1) or more new term loan commitments which may be in the form of a

new Series of New Term Loans or an increase to the amount of Initial Term Loans or any then outstanding Series of New Term Loans (such new term loan commitments or increase the "New Term Loan Commitments"); provided that, on the Increased Amount Date, after the making of any New Term Loans, the Initial Term Loans must represent more than 50% of the aggregate Loans outstanding plus any undrawn New Term Loan Commitments plus any outstanding Indebtedness incurred under Section 6.1(a)(ii). Each such notice shall specify (i) the date (each, an "Increased Amount Date") on which Parent proposes that the New Term Loan Commitments shall be effective, which shall be a date not less than five (5) Business Days (or such shorter period as agreed by the Administrative Agent) after the date on which such notice is delivered to the Administrative Agent and (ii) the identity of each Lender or other Person that is an Eligible Assignee (each, a "New Term Loan Lender") to whom Parent proposes any portion of such New Term Loan Commitments be allocated and the amounts of such allocations; provided that any Lender approached to provide all or a portion of the New Term Loan Commitments may elect or decline, in its sole discretion, to provide a New Term Loan Commitment. Parent may designate any Loan Party as a "Borrower" under the New Term Loan Commitments. Such New Term Loan Commitments shall become effective as of such Increased Amount Date; provided that (1) both before and after giving effect to the making of any Series of New Term Loans or increase in Initial Term Loans, each of the following shall be satisfied: (i) the condition set forth in Section 3.1(f) (provided that each reference therein to the Effective Date Term Loans shall be deemed a reference to the New Term Loans and each reference therein to the Effective Date shall be deemed a reference to the Increased Amount Date), (ii) the representations and warranties contained herein and in the other Loan Documents shall be true and correct in all material respects on and as of the Increased Amount Date (except to the extent such representations and warranties relate to an earlier date, in which case, such representations and warranties were true and correct in all material respects as of such earlier date) and (iii) no event shall have occurred and be continuing or would result from the consummation of the Borrowing of the New Term Loans that would constitute a Default or an Event of Default; provided that to the extent any such representation or warranty is already qualified by materiality or material adverse effect, such representation or warranty shall be true and correct in all respects); (2) the New Term Loan Commitments shall be effected pursuant to one or more Joinder Agreements executed and delivered by Parent, each applicable New Term Loan Lender and the Administrative Agent, and each of which shall be recorded in the Register and each New Term Loan Lender shall be subject to the requirements set forth in Section 2.16(c) and (3) Parent shall deliver or cause to be delivered any legal opinions or other documents reasonably requested by the Administrative Agent in connection with any such transaction. Any New Term Loans made on an Increased Amount Date shall be designated in the applicable Joinder Agreement either as a separate series, an increase to the Initial Term Loans or an increase to any prior series of New Term Loans (in each case a "Series"; for purposes of this Section 2.20, the Initial Term Loans and any increase thereof shall be deemed to be a Series) for all purposes of this Agreement. Except for purposes of this Section 2.20, any New Term Loans made as an increase to the Initial Term Loans shall be deemed to be, effective as of the applicable Increased Amount Date, and after the making of such New Term Loans, Initial Term Loans for all purposes of this Agreement; provided that for the avoidance of doubt such New Term Loans will remain New Term Loans and New Term Loan Commitments, as the case may be, for purposes of this Section 2.20.

(b) On any Increased Amount Date on which any New Term Loan Commitments of any Series or any increase in Initial Term Loans are effective, subject to the satisfaction of the foregoing terms and conditions (including, but not limited to, delivery of a Borrowing Notice pursuant to Section 2.1(b)), (i) each New Term Loan Lender of any Series shall make a Loan to Parent (a "New Term Loan") in an amount equal to its New Term Loan Commitment of such Series and (ii) each New Term Loan Lender of any Series shall become a Lender hereunder with respect to the New Term Loan Commitment of such Series and the New Term Loans of such Series made pursuant thereto.

(c) The Administrative Agent shall notify the Lenders promptly upon receipt of Parent's notice of each Increased Amount Date and in respect thereof the Series of New Term Loan Commitments (or increase in Initial Term Loans) and the New Term Loan Lenders of such Series.

(d) The terms and provisions of the New Term Loans and New Term Loan Commitments of any Series shall be, except as otherwise set forth herein or in the Joinder Agreement, identical to the Loans. In any event (i) the weighted average life to maturity of all New Term Loans of any Series shall be no shorter than the weighted average life to maturity of the Loans, (ii) the applicable New Term Loan Maturity Date of each Series shall be no shorter than the Initial Term Loan Maturity Date, (iii) the yield applicable to the New Term Loans of each Series shall be determined by Parent and the applicable new Lenders and shall be set forth in each applicable Joinder Agreement, (iv) the amortization schedule applicable to any Series of New Term Loans shall be determined by Parent and the applicable holders of New Term Loans and (v) any Affiliated Lender or providing New Term Loans and New Term Loan Commitments shall be subject to the same restrictions set forth in Section 10.6(h) as they would otherwise be subject to with respect to any purchase by or assignment to such Affiliated Lender of Loans. Each Joinder Agreement may, without the consent of any other Lenders, effect such amendments to this Agreement and the other Loan Documents as may be necessary or appropriate, in the opinion of the Administrative Agent to effect the provision of this Section 2.20.

(e) The New Term Loans and New Term Loan Commitments established pursuant to this Section 2.20 shall constitute Loans and Commitments under, and shall be entitled to all the benefits afforded by, this Agreement and the other Loan Documents, and shall, without limiting the foregoing, benefit equally and ratably with the Obligations from the Subsidiary Guarantors and security interests created by the Security Documents. Each Series of New Term Loans or New Term Loans incurred as an increase to the Initial Term Loans shall be entitled to share in mandatory prepayments on a ratable basis with the Initial Term Loans and the other Series of New Term Loans (unless the holders of the New Term Loans of any Series agree to take a lesser share of certain prepayments). The Loan Parties shall take any actions reasonably required by the Administrative Agent to ensure and/or demonstrate that the Lien and security interests granted by the Security Documents continue to be perfected under the UCC or otherwise after giving effect to the establishment of any such Class of New Term Loans or any such New Term Loan Commitments.

ARTICLE III

CONDITIONS PRECEDENT

Section 3.1 Conditions Precedent to Effective Date. The obligation of the Lenders to make Effective Date Term Loans on the Effective Date is subject to the satisfaction, or waiver in accordance with Section 10.5, of the following conditions:

(a) Loan Documents. (i) The Administrative Agent shall have received copies of the following documents, executed and delivered by each Loan Party: (w) this Agreement, (x) the Security Agreement, (y) the Borrowing Notice and (z) any Notes and (ii) all such documents shall be in form and substance reasonably satisfactory to the Administrative Agent.

(b) Organizational Documents; Incumbency. The Administrative Agent shall have received (i) copies of each Organizational Document executed and delivered by each Loan Party, and, to the extent applicable, certified as of a recent date by the appropriate governmental official, each dated the Effective Date or a recent date prior thereto; (ii) signature and incumbency certificates of the officers of each Loan Party executing the Loan Documents to which it is a party; (iii) resolutions of the board of directors or similar governing body of each Loan Party approving and authorizing the execution, delivery and performance of this Agreement and the other Loan Documents to which it is a party or by which it or its assets may be bound as of the Effective Date, certified as of the Effective Date by its secretary, an assistant secretary or other appropriate officer as being in full force and effect without modification or amendment; and (iv) a good standing certificate from the applicable Governmental Authority of the jurisdiction of incorporation, organization or formation for each Loan Party, each dated a recent date prior to the Effective Date.

(c) Lien Searches. The Administrative Agent shall have received the results of a recent Lien search with respect to each Loan Party, and such search shall reveal no Liens on any of the assets of the Loan Parties except for Permitted Liens or Liens discharged prior to the Effective Date pursuant to documentation reasonably satisfactory to the Administrative Agent.

(d) Collateral. In order to create in favor of the Collateral Agent, for the benefit of Secured Parties, a valid, perfected first priority security interest in the Collateral (subject to Permitted Liens), each Loan Party shall have delivered to the Collateral Agent evidence reasonably satisfactory to the Administrative Agent that, upon the filing and recording of instruments delivered on the Effective Date, the Collateral Agent (for the benefit of the Secured Parties) shall have a valid, perfected first priority security interest in the Collateral (subject to Permitted Liens and only to the extent perfection can be obtained by such filing or recording), including such documents duly executed by each Loan Party as the Administrative Agent may reasonably request with respect to the perfection of its security interests in the Collateral (including financing statements under the UCC).

(e) Opinions of Counsel to Loan Parties. The Agents and the Lenders and their respective counsel shall have received originally executed copies of the written opinion of Skadden, Arps, Slate, Meagher & Flom LLP, counsel for Loan Parties, as to such other matters as the Administrative Agent may reasonably request, dated as of the Effective Date and

otherwise in form and substance reasonably satisfactory to the Administrative Agent (and each Loan Party hereby instructs such counsel to deliver such opinions to Agents and Lenders).

(f) Effective Date Certificate. Parent shall have delivered to the Administrative Agent an originally executed Effective Date Certificate, together with all attachments thereto, and which shall include certifications to the effect that:

(i) the representations set forth in Article IV and the other Loan Documents shall be true and correct in all material respects on and as of the Effective Date (except to the extent such representations and warranties relate to an earlier date, in which case, such representations and warranties were true and correct in all material respects as of such earlier date); provided that to the extent any such representation or warranty is already qualified by materiality or material adverse effect, such representation or warranty shall be true and correct in all respects; and

(ii) no event shall have occurred and be continuing or would result from the consummation of the Borrowing of the Effective Date Term Loans that would constitute a Default or an Event of Default.

(g) KYC Information. The Administrative Agent shall have received a duly executed Internal Revenue Service Form W-9 (or other applicable tax form) and all documentation and other information about Parent and the Subsidiary Guarantors as has been reasonably requested in writing by the Administrative Agent at least three (3) Business Days prior to the Effective Date and they reasonably determine is required by regulatory authorities under applicable "know-your-customer" and anti-money laundering rules and regulations, including the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001) (as amended, supplemented or modified from time to time, the "PATRIOT Act").

(h) Beneficial Ownership Certificate. The Administrative Agent shall have received a Beneficial Ownership Certification in relation to any Loan Party that qualifies as a "legal entity customer" under the Beneficial Ownership Regulation, in each case, to the extent requested in writing at least three (3) Business Days prior to the Effective Date.

(i) Solvency Certificate. The Administrative Agent shall have received a Solvency Certificate from Parent.

(j) Payment at Closing. Parent shall have paid all fees due and payable thereto or to any Lender on or prior to the Effective Date and, to the extent invoiced at least one (1) Business Day prior to the Effective Date, any fees and expenses of the Administrative Agent and the Lenders incurred in connection with the negotiation, preparation and execution of this Agreement (including fees, charges and disbursements of Sullivan & Cromwell LLP, Cadwalader, Wickersham & Taft LLP and Norton Rose Fulbright US LLP), in an aggregate amount not to exceed $1,500,000, which amounts may be offset against the proceeds of the Effective Date Term Loans hereunder.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

In order to induce the Lenders to enter into this Agreement and to make each Loan to be made thereby, Parent and each other Loan Party represents and warrants to each Lender that, as of the Effective Date (except to the extent such representations and warranties relate to an earlier date, in which case, such representations and warranties were true and correct in all material respects as of such earlier date) and each other date that such representations and warranties are required to be made, each of the following statements is true and correct:

Section 4.1 Organization and Qualification. Each of the Loan Parties, NewRez and each Unencumbered Asset Equity Pledge Subsidiary (a) is duly organized, validly existing and, to the extent applicable, in good standing under the laws of its jurisdiction of organization as identified on Schedule 4.1, (b) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as proposed to be conducted and (c) is qualified to do business and, to the extent applicable, in good standing in every jurisdiction where its assets are located and wherever necessary to carry out its business and operations, except, with respect to any Subsidiary Guarantor, NewRez or any Unencumbered Asset Equity Pledge Subsidiary, in jurisdictions where the applicable failure with respect to the foregoing clauses (a) (but only with respect to the failure to be in good standing), (b) and (c) has not had, and would not be reasonably expected to have, a Material Adverse Effect.

Section 4.2 Corporate Authorization. The execution, delivery and performance of the Loan Documents have been duly authorized by all necessary corporate, limited liability company, partnership or other applicable action on the part of each Loan Party that is a party thereto, and each Loan Party has all requisite power and authority to enter into the Loan Documents to which it is a party and to carry out the transactions contemplated thereby.

Section 4.3 Equity Interests and Ownership. The organizational chart attached to Schedule 4.3 correctly sets forth the ownership interest of each Subsidiary of Parent as of the Effective Date. Except as set forth on Schedule 4.3, as of the Effective Date, there is no existing option, warrant, call, right, commitment or other agreement to which any Loan Party (other than Parent) is a party requiring, and there is no membership interest or other Equity Interests of any Loan Party (other than Parent) outstanding which upon conversion, exchange or exercise would require, the issuance by any Loan Party (other than Parent) of any additional membership interests or other Equity Interests of any Loan Party (other than Parent) or other Securities convertible into or exchangeable or exercisable for or evidencing the right to subscribe for or purchase, a membership interest or other Equity Interests of any Loan Party (other than Parent), and no securities or obligations evidencing any such rights are authorized, issued or outstanding.

Section 4.4 No Conflict. The execution, delivery and performance by the Loan Parties of the Loan Documents to which they are parties and the consummation of the transactions contemplated by the Loan Documents do not and shall not (a) violate (i) any provision of any law, statute, ordinance, rule, regulation, or code (other than those concerning declared emergencies) applicable to any Loan Party, NewRez or any Unencumbered Asset Equity Pledge Subsidiary, (ii) any of the Organizational Documents of any Loan Party, NewRez or any

Unencumbered Asset Equity Pledge Subsidiary, or (iii) any order, judgment, injunction or decree of any court or other agency of government (other than those concerning declared emergencies) binding on any Loan Party, NewRez or any Unencumbered Asset Equity Pledge Subsidiary; (b) conflict with, result in a breach of or constitute (with due notice or lapse of time or both) a default under any Contractual Obligation of any Loan Party, NewRez or any Unencumbered Asset Equity Pledge Subsidiary, except to the extent such conflict, breach or default would not reasonably be expected to have a Material Adverse Effect; (c) result in or require the creation or imposition of any Lien upon any of the properties or assets of any Loan Party, NewRez or any Unencumbered Asset Equity Pledge Subsidiary (other than any Liens created under any of the Loan Documents in favor of the Collateral Agent on behalf of the Secured Parties); or (d) require any approval of stockholders, members or partners or any approval or consent of any Person under any Contractual Obligation of any Loan Party, NewRez or any Unencumbered Asset Equity Pledge Subsidiary, except for such approvals or consents which have been obtained on or before the Effective Date and except for any such approvals or consents the failure of which to obtain shall not have a Material Adverse Effect.

Section 4.5 Governmental Consents. The execution, delivery and performance by the Loan Parties of the Loan Documents to which they are parties and the consummation of the transactions contemplated by the Loan Documents do not and shall not require any registration with, consent or approval of, or notice to, or other action to, with or by, any Governmental Authority except as otherwise set forth in the Loan Documents and except for filings and recordings with respect to the Collateral to be made, or otherwise delivered to the Collateral Agent for filing and/or recordation, as of the Effective Date.

Section 4.6 Binding Obligation. Each Loan Document has been duly executed and delivered by each Loan Party that is a party to such Loan Document and is the legally valid and binding obligation of such Loan Party, enforceable against such Loan Party in accordance with its respective terms, except as may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws of general applicability relating to or limiting creditors' rights or by equitable principles relating to enforceability (regardless of whether enforcement is sought by proceedings in equity or at law).

Section 4.7 Financial Statements. The Historical Financial Statements delivered to the Administrative Agent (it being understood that such financial statements shall be deemed to have been delivered to the Administrative Agent by Parent's posting of such information on the SEC website on the Internet at https://www.sec.gov/edgar/searchedgar/companysearch.html) fairly present in all material respects on a Consolidated basis the financial position of Parent as at the dates of such Historical Financial Statements, and the results of the operations and changes of financial position for the periods then ended (other than customary year-end adjustments for unaudited financial statements). All such financial statements, including the related schedules and notes thereto, have been prepared in accordance with GAAP.

Section 4.8 No Material Adverse Change. Since the date of the Historical Financial Statements, there has been no event or circumstance, either individually or in the aggregate, that has had or would reasonably be expected to have a Material Adverse Effect.

Section 4.9 Tax Returns and Payments. Each of Parent and each of its Subsidiaries has duly and timely filed or caused to be duly and timely filed all federal, state, local and other Tax returns required by applicable law to be filed, and has timely paid all federal, state, local and other Taxes, assessments and governmental charges or levies upon it or its property, income, profits and assets which are due and payable (including in its capacity as a withholding agent), whether or not shown on a Tax return, except for (i) those that are being diligently contested in good faith by appropriate proceedings and for which Parent or the relevant Subsidiary shall have established on its books adequate reserves or other appropriate provision in accordance with GAAP and (ii) filings, Taxes and charges as to which the failure to make or pay would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

Section 4.10 Environmental Matters. None of the Loan Parties nor any of their respective facilities or operations are subject to any outstanding written order, consent decree or settlement agreement with any Person relating to any Environmental Law, any Environmental Claim, or any Hazardous Materials activity that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect. To each Loan Party's knowledge, there are and have been no conditions, occurrences, or Hazardous Materials activities which would reasonably be expected to form the basis of an Environmental Claim against any Loan Party that, individually or in the aggregate, could reasonably be expected to have a Material Adverse Effect. Compliance with all current or reasonably foreseeable future requirements pursuant to or under Environmental Laws could not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect. To each Loan Party's knowledge, no event or condition has occurred or is occurring with respect to any Loan Party relating to any Environmental Law, any Release of Hazardous Materials or any Hazardous Materials activity which individually or in the aggregate has had, or would reasonably be expected to have, a Material Adverse Effect.

Section 4.11 Governmental Regulation. None of the Loan Parties is an "investment company" as defined in, or is required to be registered as an "investment company" under, the Investment Company Act of 1940, as amended.

Section 4.12 Employee Matters. None of the Loan Parties is engaged in any unfair labor practice that would reasonably be expected to have a Material Adverse Effect. There is (a) no unfair labor practice complaint pending against Parent or any of its Restricted Subsidiaries, or to the best knowledge of Parent, threatened against any of them before the National Labor Relations Board and no grievance or arbitration proceeding arising out of or under any collective bargaining agreement that is so pending against Parent or any of its Restricted Subsidiaries or, to the best knowledge of Parent, threatened against any of them, (b) no strike or work stoppage in existence or, to the best knowledge of Parent, threatened involving Parent or any of its Restricted Subsidiaries and (c) to the best knowledge of Parent, no union representation question existing with respect to the employees of Parent or any of its Restricted Subsidiaries and, to the best knowledge of Parent, no union organization activity that is taking place, except (with respect to any matter specified in clause (a), (b) or (c) above, either individually or in the aggregate) such as is not reasonably likely to have a Material Adverse Effect.

Section 4.13 ERISA.

(a) Except as could not reasonably be expected to result in a Material Adverse Effect, each Employee Benefit Plan is in material compliance with all applicable provisions of ERISA and the regulations and published interpretations thereunder except for any required amendments for which the remedial amendment period as defined in Section 401(b) or other applicable provision of the Internal Revenue Code has not yet expired and except where a failure to so comply would not reasonably be expected to have a Material Adverse Effect;

(b) As of the Effective Date, except as would not reasonably be expected to result in a Material Adverse Effect, no Pension Plan has been terminated, nor is any Pension Plan in "at-risk" status pursuant to Section 303 of ERISA, nor has any funding waiver from the Internal Revenue Service been received or requested with respect to any Pension Plan sponsored by Parent, nor has there been any event requiring any disclosure under Section 4041(c)(3)(C) or 4063(a) of ERISA with respect to any Pension Plan sponsored by Parent; and

(c) Except where the failure of any of the following representations to be correct in all material respects would not reasonably be expected to have a Material Adverse Effect, neither Parent nor any ERISA Affiliate has: (A) engaged in a nonexempt prohibited transaction described in Section 406 of the ERISA or Section 4975 of the Internal Revenue Code, (B) incurred any liability to the PBGC which remains outstanding other than the payment of premiums and there are no premium payments which are due and unpaid, (C) failed to make a required contribution or payment to a Multiemployer Plan, or (D) failed to make a required payment under Section 412 of the Internal Revenue Code.

Section 4.14 Margin Stock. No part of the proceeds of any Loan will be used, directly or indirectly, for any purpose that entails a violation of, or that is inconsistent with, Regulation T, Regulation U or Regulation X.

Section 4.15 Solvency. As of the Effective Date, both before and after giving effect to the Effective Date Term Loans to be made on the Effective Date, and the Second Draw Term Loans to be made on the Second Draw Date, Parent and its Subsidiaries on a consolidated basis are and will be Solvent.

Section 4.16 Disclosure. The representations and warranties of the Loan Parties contained in any Loan Document and in the other documents, certificates or written statements furnished to any Agent or Lender by or on behalf of Parent or any of its Subsidiaries and for use in connection with the transactions contemplated hereby, taken as a whole, do not contain any untrue statement of a material fact or omit to state a material fact (known to any Loan Party, in the case of any document not furnished by or on behalf of any Loan Party) necessary in order to make the statements contained herein or therein not misleading in any material respect at such time in light of the circumstances in which the same were made (giving effect to all written supplements and updates provided thereto prior to the Effective Date). Any projections and pro forma financial information prepared by Parent and provided to the Lenders are based upon good faith estimates and assumptions believed by Parent to be reasonable at the time made, it being recognized by Lenders that such projections as to future events are not to be viewed as facts and

that actual results during the period or periods covered by any such projections may differ from the projected results and such differences may be material.

Section 4.17 Sanctions; PATRIOT Act; Anti-Corruption.

(a) No Loan Party is, nor, to the knowledge of any such Loan Party, any director, officer, employee, agent, affiliate or representative thereof, an individual or entity that (i) is, or is owned fifty percent or more or controlled by one or more individuals or entities that are currently the subject or target of any Sanctions, including as a result of being listed on OFAC's List of Specially Designated Nationals or HMT's Consolidated List of Financial Sanctions Targets ("Sanctioned Person") or (ii) located, organized or resident in a Designated Jurisdiction. Each Loan Party and its Subsidiaries (if any) have in the past five years conducted their businesses in compliance in all material respects with all applicable Sanctions and have instituted and maintained policies and procedures designed to promote and achieve compliance with such Sanctions.

(b) The Loan Parties and their Subsidiaries (if any) are in compliance in all material respects with all applicable Anti-Bribery and Anti-Corruptions Laws and Anti-Terrorism and Money Laundering Laws.

(c) The Loan Parties and their Subsidiaries (if any) have in the past five years conducted their businesses in compliance in all material respects with Anti-Bribery and Anti-Corruption Laws and Anti-Terrorism and Money Laundering Laws and have instituted and maintain policies and procedures reasonably designed to promote and achieve compliance with such laws.

Section 4.18 Security Documents. The Security Documents are effective to create in favor of the Collateral Agent, for the benefit of the Secured Parties, a legal, valid and enforceable security interest in the Collateral described therein and proceeds and products thereof. In the case of the Pledged Equity Interests (as defined in the Security Agreement), when certificates representing such Pledged Equity Interests (if any) are delivered to the Collateral Agent, and in the case of the other Collateral described in the Security Agreement in which a security interest may be perfected by filing a financing statement under the UCC, when financing statements and other filings to be specified on the relevant schedule(s) to the Security Agreement in appropriate form are filed in the offices to be specified on such schedule(s), the Security Agreement shall constitute a fully perfected first priority Lien on, and security interest in, all right, title and interest of the Loan Parties in such Collateral and the proceeds thereof, as security for the Obligations, in each case prior and superior in right to any other Person (except for any Permitted Liens).

Section 4.19 Adverse Proceedings; Compliance with Law.

(a) There are no Adverse Proceedings, individually or in the aggregate, that would reasonably be expected to have a Material Adverse Effect.

(b) None of the Loan Parties (i) is in violation of any applicable laws that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect or (ii) is subject to any default with respect to any final judgments, writs, injunctions, decrees

or (ii) is subject to or in default with respect to any final judgments, writs, injunctions, decrees,

rules or regulations of any court or any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Section 4.20 Properties. Each of Parent and its Restricted Subsidiaries has (i) good, sufficient and legal title to (in the case of fee interests in real property), (ii) valid leasehold interests in (in the case of leasehold interests in real or personal property), (iii) valid licensed rights in (in the case of licensed interests in intellectual property) and (iv) good title to (in the case of all other personal property), all of their respective properties and assets reflected in their respective financial statements referred to in Section 4.7, in each case except for assets disposed of since the date of such financial statements in the ordinary course of business and except where the failure to have such title to, interests in or rights in would not reasonably be expected to have a Material Adverse Effect. Except as permitted by this Agreement, all such properties and assets are free and clear of Liens.

Section 4.21 Use of Proceeds.

(a) Parent will use the proceeds from the Loans as described in Section 2.3.

(b) No part of the proceeds of the Loans shall be used, directly or knowingly indirectly, for any payments (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any applicable Anti-Bribery and Anti-Corruption Laws or Anti-Terrorism and Money Laundering Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person or in any Designated Jurisdiction, in each case to the extent such activities, businesses or transactions would be prohibited by applicable Sanctions or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 4.22 EEA Financial Institution. No Loan Party is an EEA Financial Institution.

Section 4.23 Beneficial Ownership Certificate. As of the Effective Date, the information included in the Beneficial Ownership Certification, if applicable, is true and correct in all respects.

ARTICLE V

AFFIRMATIVE COVENANTS

Each Loan Party covenants and agrees that, until payment in full of all Obligations (other than contingent indemnification and cost reimbursement obligations for which no claim has been made), each Loan Party shall, and shall cause each of its Restricted Subsidiaries to:

Section 5.1 Financial Statements and Other Reports. In the case of Parent deliver to the Administrative Agent (which shall furnish to each Lender):

(a) Monthly Financial Statements. Within thirty (30) days after the end of each month, commencing with the first full month to occur after the Effective Date, the condensed Consolidated balance sheet of Parent and its Subsidiaries as at the end of such month and the related condensed Consolidated statements of income of Parent and its Subsidiaries for such month and for the period from the beginning of the then current Fiscal Year to the end of such month, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year, to the extent prepared on a monthly basis, all in reasonable detail, together with a Financial Officer Certification;

(b) Quarterly Financial Statements. No later than five (5) Business Days after the date on which Parent is required, under the Exchange Act, to file its Quarterly Report on Form 10-Q with the SEC (plus any applicable extensions of such time period) (or, if Parent is no longer required to file a Quarterly Report on Form 10-Q with the SEC, within sixty (60) days after the end of each Fiscal Quarter), commencing with the Fiscal Quarter in which the Effective Date occurs (other than any Fiscal Quarter that is the last Fiscal Quarter of a Fiscal Year), the condensed Consolidated balance sheets of Parent and its Subsidiaries as at the end of such Fiscal Quarter and the related condensed Consolidated statements of income, stockholders' equity and cash flows of Parent and its Subsidiaries for such Fiscal Quarter and for the period from the beginning of the then current Fiscal Year to the end of such Fiscal Quarter, setting forth in each case in comparative form the corresponding figures for the corresponding periods of the previous Fiscal Year, all in reasonable detail, together with a Financial Officer Certification and a Narrative Report with respect thereto;

(c) Annual Financial Statements. No later than five (5) days after the date on which Parent is required, under the Exchange Act, to file its Annual Report on Form 10-K with the SEC (plus any applicable extensions of such time period) (or, if Parent is no longer required to file an Annual Report on Form 10-K with the SEC, within ninety (90) days after the end of the Fiscal Year), commencing with the Fiscal Year in which the Effective Date occurs, (i) the Consolidated balance sheets of Parent and its Subsidiaries as at the end of such Fiscal Year and the related Consolidated statements of income, stockholders' equity and cash flows of Parent and its Subsidiaries for such Fiscal Year, setting forth in each case in comparative form the corresponding figures for the previous Fiscal Year covered by such financial statements, in reasonable detail, together with a Financial Officer Certification and a Narrative Report with respect thereto; and (ii) with respect to such Consolidated financial statements a report thereon of Ernst & Young LLP or other independent certified public accountants of recognized national standing selected by Parent (which report and/or the accompanying financial statements shall be unqualified as to going concern and scope of audit (other than a going concern qualification resulting from an upcoming maturity date under any material Indebtedness occurring within one year from the time such opinion is delivered), and shall state that such Consolidated financial statements fairly present, in all material respects, the Consolidated financial position of Parent and its Subsidiaries as at the dates indicated and the results of their operations and their cash flows for the periods indicated in conformity with GAAP applied on a basis consistent with prior years (except as otherwise disclosed in such financial statements) and that the examination by such accountants in connection with such Consolidated financial statements has been made in accordance with generally accepted auditing standards);

(d) Compliance Certificate. Together with each delivery of financial statements of Parent and its Subsidiaries pursuant to Sections 5.1(a), (b) and (c), a duly executed and completed Compliance Certificate;

(e) [Reserved].

(f) Notice of Default. Promptly (and in any event within three (3) Business Days) upon (i) the occurrence of any condition or event that constitutes a Default or an Event of Default or that notice has been given to any Loan Party with respect thereto; (ii) any officer of any Loan Party obtaining knowledge that any Person has given any notice to Parent or any of its Restricted Subsidiaries or taken any other action with respect to any event or condition set forth in Section 8.1; (iii) the occurrence of any event of default as defined in any agreement, indenture or other instrument governing Indebtedness of Parent or any Loan Party, whether or not such Indebtedness is accelerated or such event of default is waived; or (iv) the occurrence of any event or change that has caused or evidences, either in any case or in the aggregate, a Material Adverse Effect, Parent shall deliver a certificate of an Authorized Officer specifying the nature and period of existence of such condition, event or change, or specifying the notice given and action taken by any such Person and the nature of such claimed Event of Default, Default, default, event or condition, and what action Parent has taken, is taking and proposes to take with respect thereto;

(g) Notice of Litigation. Promptly upon any Loan Party obtaining knowledge of (i) any Adverse Proceeding not previously disclosed in writing by Parent to the Lenders or (ii) any development in any Adverse Proceeding that, in the case of either clause (i) or (ii), could be reasonably expected to have a Material Adverse Effect, or seeks to enjoin or otherwise prevent the consummation of, or to recover any damages or obtain relief as a result of, the transactions contemplated hereby, or the exercise of rights or performance of obligations under any Loan Document, a written notice thereof together with such other information as may be reasonably available to Parent to enable the Lenders and their counsel to evaluate such matters;

(h) ERISA. Promptly upon any Loan Party becoming aware of the occurrence of or forthcoming occurrence of any ERISA Event which could reasonably be expected to result in a Material Adverse Effect, a written notice specifying the nature thereof, and copies of such documentation related thereto as may be reasonably available to Parent or any of its Wholly-Owned Subsidiaries that are Restricted Subsidiaries to enable the Lenders and their counsel to evaluate such matter;

(i) Electronic Delivery. Documents required to be delivered pursuant to Sections 5.1(b) or (c) (to the extent any such documents are included in materials otherwise filed with the SEC) and notices and documents required to be delivered pursuant to Sections 5.1(a), (f), (g), and (k) (A) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which (i) Parent posts such documents or notices (which may be press releases), or provides a link thereto, on Parent's website on the Internet; or (ii) such documents or notices (which may be press releases) are filed with or furnished to the SEC for public availability or posted on Parent's behalf on an Internet or intranet website, if any, to which each Lender and the Administrative Agent have access (whether a commercial or third-party website) and, in the case of each of clauses (i) and (ii), if NRZ is no longer a public company that

files or furnishes such information to the SEC for public availability, the Lenders are provided with notification of such posting;

(j) Information Regarding Collateral.

(i) Prior written notice of any proposed change (A) in any Loan Party's legal name, (B) any Loan Party's form of organization or (C) in any Loan Party's jurisdiction of organization, in each case, together with supporting documentation as reasonably requested by the Collateral Agent. Parent agrees not to effect or permit any change referred to in the preceding sentence unless all filings have been made under the UCC or otherwise that are required in order for the Collateral Agent to continue at all times following such change to have a valid, legal and perfected security interest in all the Collateral as contemplated in the Security Documents;

(ii) No later than the date financial statements are due pursuant to Section 5.1(b) or (c) with respect to any Fiscal Quarter, a list of any Permitted Liens incurred pursuant to clause (x) (to the extent such Lien secures any Indebtedness), (xi) (to the extent such Lien secures any Indebtedness), (xii), (xiv), (xv) (to the extent such Lien secures any Refinancing of any Indebtedness secured by a Lien referred to in clause (ix)), (xxvi), (xxvii), (xxviii), (xxix) or (xxx) thereof during such Fiscal Quarter, and promptly thereafter any supporting information reasonably requested by the Administrative Agent or any Lender; and

(iii) Parent shall promptly (and in any event within five (5) Business Days) notify the Administrative Agent upon becoming aware of any Lien (other than a Permitted Lien) being granted or established or becoming enforceable over any of the related Collateral, together with a description thereof;

(k) Other Information. (A) Promptly upon their becoming available, copies of (i) all financial statements, reports, notices and proxy statements sent or made available generally by Parent to its security holders acting in such capacity, (ii) all regular and periodic reports and all registration statements and prospectuses, if any, filed by any Loan Party with any securities exchange or with the SEC and (iii) all press releases and other statements made available generally by any Loan Party to the public concerning material developments in the business of any Loan Party and (B) such other information and data with respect to the operations, business affairs and financial condition of Parent and the Restricted Subsidiaries as from time to time may be reasonably requested by the Administrative Agent or any Lender;

(l) Financial Covenants.

(i) If, during any calendar month, one or more transactions of Parent and its Subsidiaries, in the aggregate, result in a net realized loss (calculated in accordance with GAAP) of $500,000,000 or more, within three (3) Business Days of the occurrence of such loss, Parent will notify Administrative Agent thereof; and

(ii) Parent shall, within three (3) Business Days, notify the Administrative Agent if Cash Liquidity at any time falls below the level required by Section 6.7(b); and

Section 6.7(b); and

(m) External Valuations. Promptly upon receipt by any Loan Party or its Subsidiaries, copies of all third party valuation reports or other appraisals or valuations, in each case relating to MSRs.

Section 5.2 Existence. Except as otherwise permitted under Section 6.8 or, other than with respect to the existence of any Subsidiary Guarantor, NewRez or any Unencumbered Asset Equity Pledge Subsidiary, where the failure to do so could not reasonably be expected to have a Material Adverse Effect, at all times preserve and keep in full force and effect its existence and all rights and franchises, licenses and permits material to its business; provided that no Restricted Subsidiary shall be required to preserve any such existence and neither Parent nor any of its Restricted Subsidiaries shall be required to preserve, right or franchise, licenses and permits if such Person's board of directors (or similar governing body) shall determine that the preservation thereof is no longer desirable in the conduct of the business of such Person and that the loss thereof would not be materially adverse to such Person or to Lenders.

Section 5.3 Payment of Taxes. Pay all Taxes imposed upon it or any of its properties or assets or in respect of any of its income, businesses or franchises before any penalty or fine accrues thereon; provided that no such Tax need be paid if (a) the failure to pay such Tax could not reasonably be expected to have a Material Adverse Effect or (b) it is being contested in good faith by appropriate proceedings promptly instituted and diligently conducted, so long as adequate reserve or other appropriate provision, as shall be required in conformity with GAAP shall have been made therefor.

Section 5.4 Insurance. In the case of Parent, maintain or cause to be maintained, with financially sound and reputable insurers, such public liability insurance, third party property damage insurance, business interruption insurance and casualty insurance with respect to liabilities, losses or damage in respect of the assets, properties and businesses of the Loan Parties as may customarily be carried or maintained under similar circumstances by Persons of established reputation engaged in similar businesses, in each case in such amounts (giving effect to self-insurance), with such deductibles, covering such risks and otherwise on such terms and conditions as are customary for such Persons.

Section 5.5 Books and Records; Inspections. Maintain proper books of record and accounts in which full, true and correct entries in conformity in all material respects with GAAP shall be made of all dealings and transactions in relation to its business and activities. Parent shall, and shall cause each of its Restricted Subsidiaries to, permit any authorized representatives designated by any Lender to visit and inspect any of the properties of Parent and any of its Restricted Subsidiaries, to inspect, copy and take extracts from its and their financial and accounting records and to discuss its and their affairs, finances and accounts with its and their officers and independent public accountants, all upon reasonable notice and at such reasonable times during normal business hours and as often as may reasonably be requested; provided that (i) all such copies, extracts, records and other information shall remain subject to the provisions of Section 10.15 and (ii) neither Parent nor any of its Restricted Subsidiaries will be required to disclose, permit the inspection, examination or making of extracts, or discussion of, any documents, information or other matter that Parent believes in good faith (A) constitutes trade secrets or proprietary information, (B) which is subject to a confidentiality agreement not entered into in contemplation of this provision that prevents representatives of the Lenders to view such

information or in respect of which such disclosure is then prohibited by law or (C) is subject to attorney-client or similar privilege, or constitutes attorney work product. No more than one such inspection shall be made in any Fiscal Year at Parent's expense; provided that following and during the occurrence of an Event of Default, Parent and the Restricted Subsidiaries shall permit authorized representatives designated by the Lenders to make such additional number of additional inspections as the Lenders may request at Parent's expense.

Section 5.6 Conference Calls. Parent shall, within ten (10) Business Days after delivering to the Administrative Agent any report required by Sections 5.1(a) and (b), hold a conference call for the Administrative Agent and the Lenders to discuss such reports and the results of operations for the relevant annual or quarterly reporting period; provided that such call may be combined with any similar call held for any of Parent's other lenders or security holders. If Parent is no longer a public company whose equity securities are registered pursuant to the Securities Exchange Act of 1934, as amended, it shall deliver a note to the Administrative Agent no fewer than three (3) Business Days prior to the date of the conference call required to be held in accordance with this Section 5.6, announcing the time and date of such conference call and including all information necessary to access the call.

Section 5.7 Compliance with Laws. Comply with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority, noncompliance with which would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 5.8 Environmental. Promptly take any and all actions necessary to (a) cure any violation of applicable Environmental Laws by Parent or its Restricted Subsidiaries that would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect and (b) make an appropriate response to any Environmental Claim against Parent or any of its Restricted Subsidiaries and discharge any obligations it may have to any Person thereunder where failure to do so would reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect.

Section 5.9 Additional Subsidiary Guarantors.

(a) In the event (i) any Subsidiary of Parent that is not a Subsidiary Guarantor incurs Indebtedness (other than Indebtedness incurred pursuant to Section 6.1(c), (i), (j), (k), (l), (m), (n), (o), (p) and (r)) that is guaranteed by any Loan Party or (ii) any Person other than a Loan Party acquires any Equity Interests in a Subsidiary Guarantor, then, in each case of (i) and (ii), such Subsidiary or Person shall be required to become a Subsidiary Guarantor hereunder and within thirty (30) days after such event (or such longer period as the Administrative Agent may agree in its reasonable discretion) deliver (i) a Counterpart Agreement executed by such Subsidiary or other Person, (ii) a Pledge Supplement (as defined in the Security Agreement) to the Security Agreement or other relevant Security Document, as applicable, executed by such Subsidiary or other Person, and take all such further actions and execute all such further documents and instruments as required thereby to secure the Obligations for the benefit of the Secured Parties, including all actions necessary to cause such Lien to be duly perfected on a first-priority basis (subject to the Permitted Liens) to the extent required thereby, and (iii) all such

documents, instruments, agreements, and certificates as are similar to those described in Sections 3.1(b), (c), (d), (e) and (f) with respect to such Subsidiary or other Person

(b) At its option, Parent may designate any of its Subsidiaries as a Subsidiary Guarantor by giving the Administrative Agent irrevocable written notice thereof, and promptly after such notification (and in any event within thirty (30) days (or such longer period as the Administrative Agent may agree in its reasonable discretion)), cause such Subsidiary to deliver to the Administrative Agent (i) a Counterpart Agreement executed by such Subsidiary, (ii) a Pledge Supplement (as defined in the Security Agreement) to the Security Agreement or other relevant Security Document, as applicable, executed by such Subsidiary, and take all such further actions and execute all such further documents and instruments as required thereby to secure the Obligations for the benefit of the Secured Parties, including all actions necessary to cause such Lien to be duly perfected on a first-priority basis (subject to the Permitted Liens) to the extent required thereby, and (iii) all such documents, instruments, agreements, and certificates as are similar to those described in Sections 3.1(b), (c), (d), (e), (f) and (g) with respect to such Subsidiary, in each case, in form and substance reasonably acceptable to the Administrative Agent.

Section 5.10 Further Assurances. At any time or from time to time upon the reasonable request of the Administrative Agent, at the expense of the Loan Parties, promptly execute, acknowledge and deliver such further documents and do such other acts and things as the Administrative Agent or the Collateral Agent may reasonably request in order to effect fully the purposes of the Loan Documents or of more fully perfecting or renewing the rights of the Administrative Agent or the Lenders with respect to the Collateral (or with respect to any additions thereto or replacements or proceeds thereof or with respect to any other property or assets hereafter acquired by Parent or any Subsidiary of Parent which become part of the Collateral). In furtherance of, and not in limitation of the foregoing, each Loan Party (at its own expense) shall take such actions as the Administrative Agent or the Collateral Agent may reasonably request from time to time to ensure that the Obligations are guaranteed by the Subsidiary Guarantors and are secured by the Collateral or that such Loan Party knows are necessary, to establish, maintain, protect, perfect and continue the perfection of the Liens of the Collateral Agent for the benefit of the Secured Parties intended to be created by the related Security Documents and shall furnish timely notice of the necessity of any such action, together with such instruments, in execution form if applicable, and such other information as may be required or reasonably requested to enable the Collateral Agent to effect any such action. Without limiting the generality of the foregoing, Parent shall, at its own expense, file or cause to be filed or register or cause to be registered such financing statements and continuation statements in all places necessary or advisable (in the reasonable opinion of the Administrative Agent or Collateral Agent) to establish, maintain and perfect such security interests created pursuant to the related Security Documents.

Section 5.11 Maintenance of Properties. Parent shall keep all material property necessary in the operation of its business in good working order and condition, ordinary wear and tear and casualty excepted, except where the failure to do so could not reasonably be expected to result in a Material Adverse Effect.

Section 5.12 AML; Sanctions. Parent (a) will not conduct, and will not permit any of its Subsidiaries, directors, officers or employees to conduct, business with or engage in any transaction with any Sanctioned Person in violation of applicable Sanctions and (b) will maintain in effect and enforce policies and procedures reasonably designed to promote compliance by Parent, its Subsidiaries and its and their respective directors, officers, employees and agents with Anti-Bribery and Anti-Corruption Laws, Anti-Terrorism and Money Laundering Laws and applicable Sanctions.

Section 5.13 Post-Closing Covenant.

(a) Within ninety (90) days of the Effective Date (or such later date as the Administrative Agent shall agree in its reasonable discretion), Parent shall deliver executed deposit account control agreements and/or securities account control agreements, in form reasonably acceptable to the Administrative Agent, for each of the deposit accounts and securities accounts required to be maintained pursuant to Section 4.2 of the Security Agreement.

(b) Within thirty (30) days of the Effective Date (or such later date as the Administrative Agent shall agree in its reasonable discretion), Parent shall, and shall cause its Subsidiaries to, enter into amendments in respect of any agreements or instruments governing Indebtedness between Parent or any other Loan Party and any other Subsidiary on terms reasonably acceptable to the Administrative Agent to provide that no payments shall be made under such agreements on instruments to any Person other than a Loan Party while any Loans are outstanding.

(c) Within fifteen (15) days of the Effective Date (or such later date as the Administrative Agent shall agree in its reasonable discretion), Parent shall deliver to the Collateral Agent all certificates, instruments and other documents representing Pledged Equity Interests (as defined in the Security Agreement) (if any) being pledged pursuant to the Security Agreement and instruments of transfer for such certificates, instruments and other documents executed in blank.

ARTICLE VI

NEGATIVE COVENANTS

Each Loan Party covenants and agrees that, until payment in full of all Obligations (other than contingent indemnification and cost reimbursement obligations for which no claim has been made), each Loan Party shall not, nor shall it cause or permit any of its Restricted Subsidiaries to, and solely for purposes of Section 6.2, nor shall it cause or permit any of its Subsidiaries to (and in all cases with respect to Unencumbered Asset Equity Pledge Subsidiaries, subject to Section 6.15):

Section 6.1 Indebtedness. Directly or indirectly, create, incur, assume or guaranty, suffer to exist, or otherwise become or remain directly or indirectly liable with respect to any Indebtedness, except:

(a) (i) the Obligations and (ii) subject to Section 2.10(a)(ii), any other

Indebtedness incurred by Parent and the Subsidiary Guarantors secured by a Lien on the

Collateral that is pari passu with the Lien on the Collateral securing the Obligations; provided that such Indebtedness is subject to an intercreditor agreement reasonably acceptable to the Administrative Agent;

(b) Indebtedness of any Restricted Subsidiary of Parent owed to Parent or to any Subsidiary of Parent, or of Parent to any Subsidiary of Parent; provided that any Indebtedness of any Loan Party to another Loan Party or a Subsidiary (other than [***]) shall provide on terms reasonably acceptable to the Administrative Agent that no payments shall be made in respect of such Indebtedness to any Person other than a Loan Party while any Loans are outstanding;

(c) (i) Indebtedness of Parent or any of its Restricted Subsidiaries (including letters of credit) in respect of banker's acceptances, workers' compensation claims, surety, performance, bid, customs, stay, appeal, tax or similar bonds, security deposits, performance or completion guarantees and payment obligations in connection with self-insurance or similar obligations provided or obtained by Parent or any Restricted Subsidiary and (ii) Indebtedness of Parent or any of its Restricted Subsidiaries owed to (including in respect of letters of credit for the benefit of) any Person in connection with workers' compensation, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations, taxes or contributions for social security, wages or unemployment, health, disability or other employee benefits, or property, casualty or liability insurance provided to Parent or any of its Restricted Subsidiaries pursuant to reimbursement or indemnification obligations of such Person;

(d) Indebtedness not otherwise permitted under this Section 6.1 that is secured on a junior basis with the Liens securing the Obligations, unsecured or subordinated in right of payment to the payment in full of the Obligations in an aggregate principal amount outstanding at any time not to exceed $500,000,000 (or, if the MSR Cashflows are not pledged to secure Indebtedness of Parent or any of its Subsidiaries, $750,000,000, so long as, upon any incurrence of Indebtedness pursuant to this Section 6.1(d) in excess of $500,000,000 in the aggregate, Parent applies the Net Cash Proceeds of any such Indebtedness in excess of $500,000,000 to make a prepayment of the Loans, up to a maximum required prepayment of $50,000,000); provided that (i) Parent and its Subsidiaries shall be in compliance with the financial covenants set forth in Section 6.7 on a pro forma basis after giving effect to the incurrence of such Indebtedness, (ii) such Indebtedness does not mature or have scheduled amortization or mandatory prepayments prior to the date that is ninety-one (91) days following the latest applicable Maturity Date at the time such Indebtedness is incurred (other than customary offers to repurchase upon a change of control, asset sale or casualty event and customary acceleration rights after an event of default), (iii) such Indebtedness has a Weighted Average Life to Maturity no shorter than the remaining Weighted Average Life to Maturity of any existing Loans, (iv) such Indebtedness shall not be incurred or guaranteed by any Person that is not a Loan Party, (v) in the case of any Indebtedness that is secured on a junior basis with the Obligations, such Indebtedness is secured only by all or a portion of the Collateral and is subject to an intercreditor agreement reasonably acceptable to the Administrative Agent and (vi) in the case of any Indebtedness that is subordinated in right of payment to the payment in full of the Obligations, such Indebtedness is subject to a subordination agreement reasonably acceptable to the Administrative Agent;

(e) guaranties by Parent or any Restricted Subsidiary of Indebtedness permitted to be incurred pursuant to clauses (c), (i), (j), (k), (l), (m), (n), (o), (p) and (q) of this Section 6.1 and any Refinancing Indebtedness with respect thereto, and, with respect to Parent or any Restricted Subsidiary that is not a Subsidiary Guarantor, any other Indebtedness permitted to be incurred pursuant to this Section 6.1 (other than guaranties of Non-Recourse Indebtedness, except to the extent such guarantees are Standard Recourse Undertakings or customary indemnities); provided that if the Indebtedness that is being guarantied is unsecured, the guaranty shall also be unsecured;

(f) Refinancing Indebtedness of Parent or any of its Restricted Subsidiaries;

(g) Indebtedness incurred or outstanding on the Effective Date and listed on Schedule 6.1;

(h) Indebtedness of any Person outstanding on the date of any acquisition of Investments or other securities or assets from such Person, including through the acquisition of a Person that becomes a Subsidiary of Parent or is acquired by, or merged or consolidated with or into, Parent or any Subsidiary of Parent, or that is assumed by Parent or any of its Subsidiaries in connection with any such acquisition (other than Indebtedness incurred by such Person in connection with, or in contemplation of, such acquisition, merger or consolidation); provided, however, that immediately after giving effect to the incurrence of such Indebtedness pursuant to this clause (h) and, if applicable, the repayment, repurchase, defeasance, redemption, Refinancing or other discharge of any other Indebtedness in connection with such acquisition, merger or consolidation, Parent remains in pro forma compliance with the financial covenants set forth in Section 6.7;

(i) Indebtedness of Parent or any of its Restricted Subsidiaries under Hedge Agreements, so long as the entering into of such Hedge Agreements are for bona fide hedging activities and not for speculative purposes (as determined in good faith by the board of directors of Parent or senior management of Parent or such other Restricted Subsidiary);

(j) Indebtedness of Parent or any of its Restricted Subsidiaries arising from agreements of Parent or any of its Restricted Subsidiaries providing for indemnification, adjustment of purchase price, earn-outs or similar obligations, in each case incurred or assumed in connection with an investment in or the acquisition or disposition of any business, Investments or other securities or assets of Parent or any business, Investments, other securities or assets or Equity Interests of a Subsidiary of Parent, other than guarantees of Indebtedness incurred by any Person acquiring all or any portion of such business, Investments, assets or Equity Interests for the purpose of financing such acquisition;

(k) Indebtedness incurred by Parent or any of its Restricted Subsidiaries in connection with (i) insurance premium financing arrangements, (ii) deferred compensation payable to directors, officers, members of management, employees or consultants of Parent or any Subsidiary of Parent or of any Manager or any Subsidiary of any Manager, (iii) contingent obligations arising under indemnity agreements to title insurance companies to cause such title insurers to issue title insurance policies in the ordinary course of business with respect to real property of Parent or any Subsidiary of Parent, (iv) unfunded pension fund and other employee

benefit plan obligations and liabilities to the extent they are permitted to remain unfunded under applicable law and (v) obligations, contingent or otherwise, for the payment of money under any non-compete, consulting or similar arrangements entered into with the seller of a business or any other similar arrangements providing for the deferred payment of the purchase price for an Investment or other securities or assets or any other acquisition;

(l) (i) Indebtedness of Parent or any of its Restricted Subsidiaries owed to banks and other financial institutions incurred in connection with Cash Management Obligations and other ordinary banking arrangements to provide treasury services or to manage cash balances of Parent and its Subsidiaries and (ii) Indebtedness of Parent or any of its Restricted Subsidiaries arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds; provided, however, that such Indebtedness is extinguished within five (5) Business Days of incurrence;

(m) Indebtedness consisting of promissory notes issued by Parent or any of its Restricted Subsidiaries to future, present or former directors, officers, employees or consultants of Parent or any Manager or any of their respective Subsidiaries or their respective assigns, estates, heirs, family members, spouses, former spouses, domestic partners or former domestic partners to finance the purchase, redemption or other acquisition, cancellation or retirement of Equity Interests, or options, warrants, equity appreciation rights or other rights to purchase or acquire Equity Interests or other equity-based awards, of Parent or any Subsidiary of Parent;

(n) Permitted Funding Indebtedness;

(o) Permitted Securitization Indebtedness and Indebtedness under Credit Enhancement Agreements or arising out of or to fund purchases of all remaining outstanding asset backed securities of any Securitization Entity for the purpose of relieving Parent or a Subsidiary of Parent of the administrative expense of servicing such Securitization Entity;

(p) Indebtedness of Parent or any of its Restricted Subsidiaries evidenced by Capitalized Lease Obligations and purchase money Indebtedness; provided that in no event shall (x) the sum of the aggregate principal amount of all Capitalized Lease Obligations and purchase money Indebtedness permitted by this clause (p) exceed $10,000,000 at any time outstanding and (y) the amount of Indebtedness secured by such Liens exceed the purchase price of the assets acquired with the proceeds of such Indebtedness;

(q) Indebtedness consisting of Convertible Notes and Permitted Convertible Note Hedging Agreements; and

(r) Non-Recourse Indebtedness.

Section 6.2 Liens. Create, incur, assume or suffer to exist any Lien upon any property or assets of any kind (real or personal, tangible or intangible) of Parent or any Subsidiary, whether now owned or hereafter acquired by it, except Permitted Liens.

Section 6.3 No Further Negative Pledges. Except with respect to (a) this Agreement and the other Loan Documents, (b) assets and property encumbered to secure payment of Indebtedness that is permitted to be incurred pursuant to Section 6.1 and subject to a Permitted

Indebtedness that is permitted to be Incurred pursuant to Section 6.1 and subject to a Permitted

Lien, or other customary restrictions set forth in any Indebtedness that is permitted to be incurred pursuant to Section 6.1 and subject to a Permitted Lien, (c) assets and property to be sold pursuant to an executed agreement with respect to a sale of assets, (d) restrictions by reason of customary provisions restricting assignments, subletting or other transfers contained in leases, licenses and similar agreements entered into in the ordinary course of business (provided that such restrictions are limited to the property or assets secured by such Liens or the property or assets subject to such leases, licenses or similar agreements, as the case may be), (e) restrictions by reason of customary provisions restricting assignments, subservicing, subcontracting or other transfers contained in Servicing Agreements (provided that such restrictions are limited to the individual Servicing Agreement and related agreements or the property and/or assets subject to such agreements, as the case may be), (f) restrictions that exist pursuant to applicable requirements of law, (g) restrictions by reason of customary provisions in joint venture agreements and similar agreements applicable to Joint Ventures permitted under Section 6.6, (h) restrictions binding on a Subsidiary at the time such Subsidiary becomes a Subsidiary of Parent, so long as such restrictions were not entered into in contemplation of such Person becoming a Subsidiary of Parent, (i) restrictions on Cash or other deposits imposed by agreements with customers and other counterparties entered into in the ordinary course of business and (j) restrictions by reason of customary provisions restricting liens, assignments, subservicing, subcontracting or other transfers contained in agreements with any Specified Government Entity relating to the origination, sale, securitization and servicing of mortgage loans (provided that such restrictions are limited to the individual agreement and related agreements and/or the property or assets subject to such agreements, as the case may be), no Loan Party nor any of its Subsidiaries shall enter into any agreement or suffer to exist any restriction prohibiting the creation or assumption of any Lien upon any of its properties or assets, whether now owned or hereafter acquired, to secure the Obligations (other than an agreement of a Securitization Entity that prohibits such Securitization Entity from creating or assuming any Lien upon its properties or assets to secure the Obligations).

Section 6.4 Limitations on Prepayment of, and Modifications to, Unsecured or Subordinated Indebtedness.

(a) Directly or indirectly through any manner or means, pay, make or set apart any sum for any Indebtedness incurred pursuant to Section 6.1(d) except that Parent or any of its Subsidiaries may (i) redeem or repurchase such Indebtedness if such redemption or repurchase is completed through the issuance of Equity Interests (other than Disqualified Equity Interests) or new unsecured Indebtedness, (ii) make regularly scheduled or mandatory repayments or redemptions of such Indebtedness, and (iii) incur Refinancing Indebtedness with respect to such Indebtedness; or

(b) change or amend the terms of any unsecured or subordinated Indebtedness incurred pursuant to Section 6.1(d) if the effect of such changes or amendments, taken as a whole, is materially adverse to the interests of the Secured Parties under the Loan Documents.

Section 6.5 Dividends. Directly or indirectly, authorize, declare or pay any Dividends with respect to a Parent or any Restricted Subsidiary, except:

(a) any Restricted Subsidiary may pay Dividends to Parent or to any Restricted Subsidiary;

(b) any Restricted Subsidiary which is not a Wholly-Owned Subsidiary may pay Dividends to its shareholders, members or partners generally so long as Parent or a Restricted Subsidiary which owns the Equity Interests in the Subsidiary paying such Dividends receives at least its proportionate share thereof (based upon its relative holding of the Equity Interests in the Subsidiary paying such Dividends and taking into account the relative preferences, if any, of the various classes of Equity Interests of such Subsidiary);

(c) Parent or any Restricted Subsidiary may make or pay Dividends on its Equity Interests solely through the issuance of additional shares of Qualified Equity Interests of Parent or such Subsidiary (but not in cash), provided that in lieu of issuing additional shares of Qualified Equity Interests as Dividends, Parent or such Subsidiary may increase the liquidation preference of the shares of Qualified Equity Interests in respect of which such Dividends have accrued;

(d) Parent may make or pay Dividends or consummate any irrevocable redemption within sixty (60) days after the date of declaration of such Dividend or notice of such redemption if the Dividend or payment of the redemption price, as the case may be, would have been permitted on the date of declaration or notice hereunder;

(e) Parent may make or pay Dividends, either (i) through the application of net cash proceeds of a substantially concurrent sale for cash (other than to a Subsidiary of Parent) of shares of Qualified Equity Interests of Parent or (ii) through the application of a substantially concurrent cash capital contribution (other than by a Subsidiary of Parent) received by Parent from its equityholders in respect of Qualified Equity Interests; provided that (x) no Event of Default then exists or would result therefrom or (y) the amount of Dividends paid pursuant to this clause (e) shall not exceed the net cash proceeds of such sale or amount of cash capital contribution received, as applicable;

(f) Parent may (A) repurchase Equity Interests in connection with the exercise of stock options or warrants to the extent such Equity Interests represent a portion of the exercise price of those stock options or warrants and (B) repurchase Equity Interests or options to purchase Equity Interests in connection with the exercise of stock options to the extent necessary to pay applicable withholding taxes;

(g) Parent may make or pay Dividends on preferred stock so long as no Default then exists or would result therefrom;

(h) Parent may authorize, declare, make and pay Permitted REIT Distributions;

(i) Parent may authorize, declare, make and pay additional Dividends on its common stock in any Fiscal Year to the extent that Core Earnings for the prior Fiscal Year exceed the amount necessary to make Permitted REIT Distributions in the current Fiscal Year, in an aggregate amount equal to such excess;

(j) Parent may repurchase, retire or otherwise acquire or retire for value (i) Equity Interests (or options, warrants or other rights to acquire Equity Interests) of Parent from any future, current or former officer, director, manager or employee (or any spouses, successors, executors, administrators, heirs or legatees of any of the foregoing) of Parent, any of its Subsidiaries or any Manager, or (ii) warrants (including the Warrants) to acquire Equity Interests of Parent, in an aggregate amount for all such payments not to exceed $15,000,000 in any calendar year (with unused amounts in any calendar year being permitted to be carried over to the next succeeding calendar year); and

(k) Parent or any of its Subsidiaries may make any payment or delivery pursuant to the terms of (i) any Convertible Notes (including, without limitation, upon conversion, redemption, required repurchase, an interest payment date or maturity) or (ii) any Permitted Convertible Note Hedging Agreement or in connection with the early termination thereof.

Notwithstanding the foregoing, in no event shall Parent or any Subsidiary be permitted to, directly or indirectly, make any Dividend (i) with the Equity Interests of NewRez or its Subsidiaries or any Person (other than a Loan Party) that directly or indirectly owns Equity Interests of NewRez, unless, after giving effect thereto either (A) such Equity Interests remain owned, directly or indirectly, by a Subsidiary Guarantor or (B) a prepayment is made pursuant to Section 2.10(d) in an amount equal to the fair market value of such Equity Interests (as determined in good faith by Parent and certified to the Administrative Agent), or (ii) with the assets (other than Cash and Cash Equivalents) of NewRez or its Subsidiaries, unless, after giving effect thereto, either (A) such assets remain owned, directly or indirectly, by a Subsidiary Guarantor or (B) a prepayment is made pursuant to Section 2.10(d) in an amount equal to the fair market value of such assets (as determined in good faith by Parent and certified to the Administrative Agent).

Section 6.6 Investments. Directly or indirectly, make or own any Investment in any Person, including any Joint Venture, except:

(a) Investments in Cash and Cash Equivalents;

(b) [Reserved];

(c) Investments by Parent or any Restricted Subsidiary existing on the Effective Date, and Investments consisting of any extension, modification or renewal of any such Investment; provided that the amount of any such Investment may only be increased pursuant to this clause (c) to the extent required by the terms of such Investment as in existence on the Effective Date;

(d) Investments (i) in any Securities, REO Assets and other Investments (including debt obligations) received in satisfaction or partial satisfaction thereof from financially troubled account debtors and (ii) deposits, prepayments and other credits to suppliers made in the ordinary course of business consistent with the past practices of Parent and its Subsidiaries;

(e) intercompany loans and other intercompany Investments by and among Parent and its Subsidiaries that comply with the requirements of this Agreement;

(f) Permitted Acquisitions;

(g) Hedge Agreements which constitute Investments so long as the entering into of such Hedge Agreements are for bona fide hedging activities and not for speculative purposes (as determined in good faith by the board of directors of Parent or senior management of Parent or such other Restricted Subsidiary);

(h) Investments by Parent or any Restricted Subsidiary in Securitization Entities, Warehouse Facility Trusts and MSR Facility Trusts and Investments in mortgage-related securities or charge-off receivables in the ordinary course of business;

(i) Investments arising out of purchases of all remaining outstanding asset-backed securities of any Securitization Entity and/or Securitization Assets of any Securitization Entity for the purpose of relieving Parent or a Subsidiary of Parent of the administrative expense of servicing such Securitization Entity;

(j) Investments in MSRs and "excess" MSRs;

(k) Investments in Residual Interests in connection with any Securitization, Warehouse Facility or MSR Facility;

(l) Investments in and making of Servicing Advances, securities backed by Servicing Advance receivables, residential or commercial mortgage loans, REO Assets and Securitization Assets (whether or not made in conjunction with the acquisition of MSRs);

(m) Investments or guarantees of Indebtedness of one or more entities the sole purpose of which is to originate, acquire, securitize and/or sell loans that are purchased, insured, guaranteed or securitized by any Specified Government Entity;

(n) promissory notes and other non-cash consideration, to the extent received in connection with the sale of any assets or property;

(o) Investments in Securities and consumer loans;

(p) [Reserved];

(q) Parent and its Restricted Subsidiaries may acquire and hold obligations of their and the Manager's officers and employees in connection with such officers' and employees' acquisition of shares of Qualified Equity Interests of Parent or any Subsidiary (so long as no cash is actually advanced by Parent or any Subsidiary in connection with the acquisition of such obligations);

(r) Indebtedness permitted by Section 6.1(e), to the extent constituting Investments;

(s) Investments by Parent or any Restricted Subsidiary in the form of loans extended to non-Affiliate borrowers in connection with any loan origination business of Parent or any Restricted Subsidiary in the ordinary course of business;

(t) endorsements for collection or deposit in the ordinary course of business;

(u) to the extent constituting Investments, Dividends permitted pursuant to Section 6.5;

(v) other ordinary course origination Joint Ventures with mortgage lenders, brokers, builders and other customer lending Joint Venture counterparties;

(w) Investments in Permitted Convertible Note Hedging Agreements;

(x) any other Investments by Parent and its Restricted Subsidiaries so long as Tangible Book Value is at least, on a pro forma basis after giving effect to the making of such Investment, the lesser of (i) $3,250,000,000 and (ii) the amount that is 5.42 times the sum of (A) the aggregate outstanding principal amount of Indebtedness incurred pursuant to Section 6.1(a)(ii) plus (B) the outstanding principal amount of Loans hereunder; and

(y) any other Investments if Parent determines in good faith that such Investments are necessary (A) to maintain Parent's status or ability to qualify for taxation as a REIT, (B) to avoid the payment of all entity-level federal, state and local income or excise tax, (C) so that none of the Loan Parties is an "investment company" as defined in, or is required to be registered as an "investment company" under, the Investment Company Act of 1940, as amended, or (D) to otherwise comply in all material respects with all applicable laws and Governmental Authorizations.

Notwithstanding the foregoing, in no event shall Parent or any Subsidiary be permitted to, directly or indirectly, make any Investment with the assets of NewRez or its Subsidiaries (other than to any Subsidiary of NewRez) unless either (A) after giving effect thereto, such assets remain owned, directly or indirectly, by a Subsidiary Guarantor or (B) a prepayment is made pursuant to Section 2.10(d) in an amount equal to the fair market value of such assets (as determined in good faith by Parent and certified to the Administrative Agent).

Section 6.7 Financial Covenants.

(a) Minimum Tangible Book Value. Parent will not permit Tangible Book Value as of the last day of any month for which financial statements of Parent are required to have been delivered pursuant to Section 5.1(a) to be less than the lesser of (i) $2,500,000,000 and (ii) the greater of (x) the amount that is 4.17 times the sum of (A) the aggregate outstanding principal amount of Indebtedness incurred pursuant to Section 6.1(a)(ii) plus (B) the outstanding principal amount of Loans hereunder and (y) $2,000,000,000, in each case as of such date, beginning with the month in which the Effective Date occurs.

(b) Minimum Cash Liquidity. Parent will not permit Cash Liquidity for any calendar week (determined on an average basis, taking into account Cash Liquidity at the close of business on each Business Day of such week) to be less than $125,000,000

of business on each Business Day of such week) to be less than $125,000,000.

Section 6.8 Fundamental Changes. In a single transaction or series of related transactions, consolidate or merge with or into any Person, or sell, assign, transfer, lease, convey or otherwise dispose ("Dispose" or "Disposition") of (x) all or substantially all of the Equity Interests, property and assets or business of any Loan Party, (y) the Equity Interests or assets constituting a business unit, line of business or division of Parent and its consolidated Subsidiaries or (z) with respect to NewRez and its Subsidiaries, any Equity Interests in, or any material assets of, NewRez or its Subsidiaries to any Person other than Parent or any other Loan Party, except:

(a) any Person may consolidate or merge with or into (i) Parent (including a merger the purpose of which is to reorganize Parent into a new jurisdiction); provided, however, that Parent shall be the continuing or surviving Person, or (ii) any one or more other Restricted Subsidiaries; provided, however, that (x) a Restricted Subsidiary shall be the continuing or surviving Person or (y) in the case of a Restricted Subsidiary that is a Loan Party, the surviving Person assumes all of the obligations of such Loan Party under this Agreement and the other Loan Documents, and, in the case of both (i) and (ii), (w) the Secured Parties' rights in the Collateral, including, without limitation, the existence, perfection and priority of any Lien thereon, are not adversely affected in any material respect by such merger or consolidation, (x) upon the reasonable request of the Administrative Agent after the consummation of such merger or consolidation referred to in clause (y) above, Parent and each Loan Party expressly reaffirms its obligations to the Secured Parties under this Agreement and the other Loan Documents, (y) no Event of Default has occurred and is continuing at the time of such merger or consolidation or shall occur as a result of such merger or consolidation and (z) such merger or consolidation does not result in a Change of Control;

(b) (i) any Restricted Subsidiary that is not a Loan Party may merge or consolidate with or into any other Restricted Subsidiary that is not a Loan Party; provided that if NewRez or any of its Subsidiaries are involved in such merger or consolidation, the continuing or surviving Person shall remain owned, directly or indirectly, by a Subsidiary Guarantor, and (ii) any Restricted Subsidiary (other than NewRez or its Subsidiaries) may liquidate, wind up, dissolve or change its legal form if Parent determines in good faith that such action is in the best interests of Parent and if not materially disadvantageous to the Lenders; provided that if NewRez or any of its Subsidiaries are involved in such liquidation, winding up or dissolution, the assets of such Person after giving effect to such liquidation, winding up or dissolution shall remain owned, directly or indirectly, by a Subsidiary Guarantor or a prepayment shall be made pursuant to Section 2.10(d) in an amount equal to the fair market value of such assets (as determined in good faith by Parent and certified to the Administrative Agent);

(c) any Restricted Subsidiary that is not a Loan Party may merge or consolidate with any other Person in order to effect an Investment permitted pursuant to Section 6.6; provided, however, that (i) the continuing or surviving Person shall be a Restricted Subsidiary and (ii) to the extent constituting an Investment, such Investment must be a permitted Investment in accordance with Section 6.6 (including the last sentence thereof);

(d) Dispositions between and among Loan Parties;

(e) any sale, transfer or other Disposition, directly or indirectly, of any Equity Interests in, or any assets of, NewRez or its Subsidiaries in any transaction or series of related transactions; provided that, if such sale, transfer or other Disposition is of any Equity Interest in NewRez or any of its Subsidiaries that hold material assets, or material assets of NewRez or any of its Subsidiaries, outside of the ordinary course of business (it being understood that sales, transfers or other Dispositions of mortgages, MSRs, "excess" MSRs, to-be-announced mortgage-backed securities and Servicing Advances are in the ordinary course of business for NewRez and its Subsidiaries), either (i) (x) such sale, transfer or other Disposition is for fair market value (as determined in good faith by Parent), (y) Parent and its Subsidiaries receive consideration at least 90% of which consists of cash or Cash Equivalents (other than in connection with an Investment permitted by the last paragraph of Section 6.6) and (z) Parent complies with its obligations under Section 2.10(d), or (ii) after giving effect to such sale, transfer or other Disposition, such Equity Interests or assets remain owned, directly or indirectly, by a Subsidiary Guarantor; or

(f) any sale, transfer or other Disposition of all or substantially all of the Equity Interests, property and assets or business of any other Loan Party or assets constituting a business unit, line of business or division of Parent and its consolidated Subsidiaries to any Person other than Parent or any other Loan Party, subject to compliance, if applicable, with the provisions of Section 2.10(c) and Section 6.7.

Upon the request of Parent, the Administrative Agent or Collateral Agent, as applicable, shall promptly execute and deliver to Parent any and all documents or instruments necessary to release any Guaranty or any Lien encumbering any items of Collateral that are subject to a Disposition pursuant to this Section 6.8 or otherwise permitted by this Agreement.

Section 6.9 Transactions with Affiliates. Directly or indirectly, enter into or permit to exist any transaction (including the purchase, sale, lease or exchange of any property, the rendering of any service or the payment of any management, advisory or similar fees) with any Affiliate of Parent on terms that when taken as a whole are materially less favorable to Parent or a Restricted Subsidiary, as the case may be, than those that might be obtained in a comparable arm's length transaction at the time from a Person that is not an Affiliate; provided that, for the avoidance of doubt, the foregoing restriction shall not apply to (a) any transaction permitted by this Article VI between Parent and any one or more Subsidiaries of Parent or among Subsidiaries of Parent; (b) reasonable and customary fees paid to members of the board of directors (or similar governing body) of Parent and its Subsidiaries; (c) employment, severance, compensation, benefit and indemnification arrangements for directors, officers and other employees of Parent and its Subsidiaries entered into in the ordinary course of business or approved in good faith by the board of directors of Parent; (d) the payment of fees and expenses in connection with the consummation of the transactions contemplated by the Loan Documents; (e) transactions or any series of related transactions involving aggregate payments or consideration less than $500,000; (f) the payment of management fees and incentive compensation and other transactions made pursuant to the management agreement with the Manager as in effect on the Effective Date and with any such amendments or other changes that are not materially adverse, taken as a whole, to the interests of the Lenders; (g) any agreement between any Person and an Affiliate of such Person existing at the time such Person is acquired by or merged into Parent or its Subsidiaries permitted by the terms of this Agreement; provided that such agreement was not entered into in contemplation of such acquisition or merger, or any

amendment thereto; (h) any transaction with an Affiliate, which is approved by a majority of disinterested members of the board of directors of Parent in good faith and (i) any other transaction with an Affiliate, subject to the prior consent of the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed).

Section 6.10 Intermediate Entities. If the Equity Interests of any Subsidiary Guarantor are owned directly by Parent or any other Subsidiary Guarantor, no Person other than a Loan Party shall acquire such Equity Interests unless such Person also becomes a Subsidiary Guarantor under this Agreement. No Subsidiary Guarantor shall form a new Subsidiary that sits between it and any other direct Subsidiary or transfer its Equity Interests in a direct Subsidiary to another Subsidiary of such Subsidiary Guarantor unless such new Subsidiary or transferee Subsidiary also becomes a Subsidiary Guarantor under this Agreement.

Section 6.11 Conduct of Business. The Loan Parties and their Restricted Subsidiaries shall not engage to any material extent (determined on a consolidated basis) in any line of business other that those lines of business in which the Loan Parties and their Restricted Subsidiaries are engaged in on the Effective Date other than lines of business that are similar, ancillary, incidental or complementary to such lines of business or are reasonable extensions thereof.

Section 6.12 No Change to Organizational Documents. Without the prior written consent of the Administrative Agent, which consent shall not unreasonably be withheld or delayed, no Loan Party shall agree to any amendment to or waiver of the terms or provisions of its Organizational Documents, except for: (a) immaterial amendments or waivers permitted by such Organizational Documents not requiring the consent of the holders of the Equity Interests in Parent, or (b) amendments or waivers which would not, either individually or collectively, be materially adverse to the interests of the Lenders.

Section 6.13 Use of Proceeds. Neither Parent nor any of its Subsidiaries and, to the knowledge of Parent, its or their respective directors, officers, employees and agents shall use, directly or knowingly indirectly, the proceeds of any Loan (a) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any applicable Anti-Bribery and Anti-Corruption Laws or Anti-Terrorism and Money Laundering Laws, (b) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person or in any Designated Jurisdiction, each to the extent such activities, businesses or transactions would be prohibited by applicable Sanctions or (c) in any manner that would result in the violation of any Sanctions applicable to any party hereto.

Section 6.14 Negative Pledge. Neither Parent nor any Loan Party shall, or shall permit any Subsidiary to, directly or indirectly, create, incur, assume, suffer to exist or otherwise permit any Lien on (i) the Equity Interests of any Servicing Advance Entity, (ii) any cash that is not subject to a Lien pursuant to any Permitted Funding Indebtedness or (iii) any Residual Interest, in each case to secure any Indebtedness (other than the Indebtedness incurred pursuant to Section 6.1(g) or any Indebtedness provided by any Canyon Lender or any of its Affiliates after the Effective Date, in each case to the extent secured by a Permitted Lien) unless Parent shall, or shall cause the relevant Subsidiary to, grant, for the benefit of the Secured Parties, a security

interest in such Equity Interests that is equal and ratable to the security interests in favor of the holders of such other Indebtedness (or, in the case of a Lien securing such other Indebtedness that is expressly subordinated or junior to the Loans, secured by a Lien that is senior in priority to such Lien).

Section 6.15 Unencumbered Asset Equity Pledge Subsidiaries. Notwithstanding anything to this contrary in this Agreement:

(a) No Unencumbered Asset Equity Pledge Subsidiary shall be permitted to, directly or indirectly, (i) create, incur, assume or guaranty, suffer to exist, or otherwise become ore remain directly or indirectly liable with respect to any Indebtedness, or (ii) create, incur, assume or suffer to exist any Lien upon any of its property or assets of any kind (real or personal, tangible or intangible), whether now owned or hereafter acquired by it, to secure any Indebtedness.

(b) Neither any Unencumbered Asset Equity Pledge Subsidiary nor any direct or indirect Subsidiary of Parent that owns Equity Interests in an Unencumbered Asset Equity Pledge Subsidiary shall (i) create, incur, assume or suffer to exist any Lien upon the Equity Interests of an Unencumbered Asset Equity Pledge Subsidiary, whether now owned or hereafter acquired by it, to secure any Indebtedness, other than the Liens granted to the Secured Parties under the Security Documents, or (ii) enter into any agreement or suffer to exist any restriction prohibiting the creation or assumption of any Lien upon the Equity Interests of an Unencumbered Asset Equity Pledge Subsidiary to secure the Obligations.

(c) No Unencumbered Asset (Long Term) Equity Pledge Subsidiary may Dispose of any assets (including by making an Investment with such assets or by merger, consolidation or amalgamation or similar transaction with or into another Person), whether now owned or hereafter acquired by it, to any Person other than another Unencumbered Asset (Long Term) Equity Pledge Subsidiary unless a prepayment is made pursuant to Section 2.10(f) in an amount equal to the fair market value of such assets (as determined in good faith by Parent and certified to the Administrative Agent) or the proceeds of such sale must be retained or invested by such Unencumbered Asset (Long Term) Equity Pledge Subsidiary or another Unencumbered Asset (Long Term) Equity Pledge Subsidiary. No Loan Party or any Subsidiary of Parent may Dispose (whether in a single transaction, multiple transactions or a series of related transactions), directly or indirectly, of any Equity Interests in any Unencumbered Asset Equity Pledge Subsidiary to any Person other than Parent or any other Loan Party unless the Net Cash Proceeds are used to make a prepayment pursuant to Section 2.10(f). For the avoidance of doubt, the first sentence of this clause (c) shall not limit the ability of any Unencumbered Asset (Short Term) Equity Pledge Subsidiary to Dispose of any assets, whether now owned or hereafter acquired by it, to any Person.

(d) Unencumbered Asset Equity Pledge Subsidiaries must be Restricted Subsidiaries at all times and shall not form any additional Subsidiaries, unless (i) such Subsidiaries become Restricted Subsidiaries and Unencumbered Asset Equity Pledge Subsidiaries and (ii) the Equity Interests of any such Subsidiary are pledged to the Collateral Agent for the benefit of the Secured Parties.

(e) No Unencumbered Asset (Long Term) Equity Pledge Subsidiary may, directly or indirectly, authorize, declare or pay any Dividends, except for (i) a Dividend with the Net Cash Proceeds from a disposition of assets in order for Parent to make a mandatory prepayment in accordance with Section 2.10(f) and (ii) Dividends to distribute any income generated by the assets of such Unencumbered Asset (Long Term) Equity Pledge Subsidiary or any of its Subsidiaries. For the avoidance of doubt, this clause (e) shall not limit the ability of any Unencumbered Asset (Short Term) Equity Pledge Subsidiary to, directly or indirectly, authorize, declare or pay any Dividends.

ARTICLE VII

GUARANTY

Section 7.1 Guaranty of the Obligations. Each of the Subsidiary Guarantors jointly and severally hereby irrevocably and unconditionally guaranty to the Administrative Agent for the ratable benefit of the Beneficiaries the due and punctual payment in full of all Obligations when the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)) (collectively, the "Guaranteed Obligations").

Section 7.2 Contribution by Subsidiary Guarantors. All Subsidiary Guarantors desire to allocate among themselves (collectively, the "Contributing Guarantors"), in a fair and equitable manner, their obligations arising under this Guaranty. Accordingly, in the event any payment or distribution is made on any date by a Subsidiary Guarantor (a "Funding Guarantor") under this Guaranty such that its Aggregate Payments exceeds its Fair Share as of such date, such Funding Guarantor shall be entitled to a contribution from each of the other Contributing Guarantors in an amount sufficient to cause each Contributing Guarantor's Aggregate Payments to equal its Fair Share as of such date. "Fair Share" means, with respect to a Contributing Guarantor as of any date of determination, an amount equal to (a) the ratio of (i) the Fair Share Contribution Amount with respect to such Contributing Guarantor to (ii) the aggregate of the Fair Share Contribution Amounts with respect to all Contributing Guarantors multiplied by (b) the aggregate amount paid or distributed on or before such date by all Funding Guarantors under this Guaranty in respect of the Guaranteed Obligations. "Fair Share Contribution Amount" means, with respect to a Contributing Guarantor as of any date of determination, the maximum aggregate amount of the obligations of such Contributing Guarantor under this Guaranty that would not render its obligations hereunder or thereunder subject to avoidance as a fraudulent transfer or conveyance under Section 548 of Title 11 of the United States Code or any comparable applicable provisions of state law; provided that solely for purposes of calculating the "Fair Share Contribution Amount" with respect to any Contributing Guarantor for purposes of this Section 7.2, any assets or liabilities of such Contributing Guarantor arising by virtue of any rights to subrogation, reimbursement or indemnification or any rights to or obligations of contribution hereunder shall not be considered as assets or liabilities of such Contributing Guarantor. "Aggregate Payments" means, with respect to a Contributing Guarantor as of any date of determination, an amount equal to (1) the aggregate amount of all payments and distributions made on or before such date by such Contributing Guarantor in respect of this Guaranty (including in respect of this Section 7.2), minus (2) the

Statement in respect of this Quarter (including in respect of this Section 742)), minus (2) the

aggregate amount of all payments received on or before such date by such Contributing Guarantor from the other Contributing Guarantors as contributions under this Section 7.2. The amounts payable as contributions hereunder shall be determined as of the date on which the related payment or distribution is made by the applicable Funding Guarantor. The allocation among Contributing Guarantors of their obligations as set forth in this Section 7.2 shall not be construed in any way to limit the obligations or liability of any Contributing Guarantor hereunder. Each Subsidiary Guarantor shall remain liable for the full amount guaranteed by such Subsidiary Guarantor hereunder. Each Subsidiary Guarantor is a third party beneficiary to the contribution agreement set forth in this Section 7.2.

Section 7.3 Payment by Subsidiary Guarantors. The Subsidiary Guarantors hereby jointly and severally agree, in furtherance of the foregoing and not in limitation of any other right which any Beneficiary may have at law or in equity against any Subsidiary Guarantor by virtue hereof, that upon the failure of Parent to pay any of the Guaranteed Obligations when and as the same shall become due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise (including amounts that would become due but for the operation of the automatic stay under Section 362(a) of the Bankruptcy Code, 11 U.S.C. § 362(a)), the Subsidiary Guarantors shall upon demand pay, or cause to be paid, in Cash, to the Administrative Agent for the ratable benefit of Beneficiaries, an amount equal to the sum of the unpaid principal amount of all Guaranteed Obligations then due as aforesaid, accrued and unpaid interest on such Guaranteed Obligations (including interest which, but for Parent becoming the subject of a case under the Bankruptcy Code, would have accrued on such Guaranteed Obligations, whether or not a claim is allowed against Parent for such interest in the related bankruptcy case) and all other Guaranteed Obligations then owed to Beneficiaries as aforesaid.

Section 7.4 Liability of Subsidiary Guarantors Absolute. Each Subsidiary Guarantor agrees that its obligations hereunder are irrevocable, absolute, independent and unconditional and shall not be affected by any circumstance which constitutes a legal or equitable discharge of a guarantor or surety other than payment in full of the Guaranteed Obligations. In furtherance of the foregoing and without limiting the generality thereof, each Subsidiary Guarantor agrees as follows:

(a) this Guaranty is a guaranty of payment when due and not of collectability;

(b) the Administrative Agent may enforce this Guaranty upon the occurrence of an Event of Default notwithstanding the existence of any dispute between Parent and any Beneficiary with respect to the existence of such Event of Default;

(c) the obligations of each Subsidiary Guarantor hereunder are independent of the obligations of Parent and the obligations of any other guarantor (including any other Subsidiary Guarantor) of the obligations of Parent, and a separate action or actions may be brought and prosecuted against such Subsidiary Guarantor whether or not any action is brought against Parent or any of such other guarantors and whether or not Parent is joined in any such action or actions;

(d) payment by any Subsidiary Guarantor of a portion, but not all, of the Guaranteed Obligations shall in no way limit, affect, modify or abridge any Subsidiary

Guarantor's liability for any portion of the Guaranteed Obligations which has not been paid. Without limiting the generality of the foregoing, if the Administrative Agent is awarded a judgment in any suit brought to enforce any Subsidiary Guarantor's covenant to pay a portion of the Guaranteed Obligations, such judgment shall not be deemed to release such Subsidiary Guarantor from its covenant to pay the portion of the Guaranteed Obligations that is not the subject of such suit, and such judgment shall not, except to the extent satisfied by such Subsidiary Guarantor, limit, affect, modify or abridge any other Subsidiary Guarantor's liability hereunder in respect of the Guaranteed Obligations;

(e) any Beneficiary, upon such terms as it deems appropriate, without notice or demand and without affecting the validity or enforceability of the guarantee set forth in this Article VII or giving rise to any reduction, limitation, impairment, discharge or termination of any Subsidiary Guarantor's liability hereunder, from time to time may (i) renew, extend, accelerate, increase the rate of interest on, or otherwise change the time, place, manner or terms of payment of the Guaranteed Obligations; (ii) settle, compromise, release or discharge, or accept or refuse any offer of performance with respect to, or substitutions for, the Guaranteed Obligations or any agreement relating thereto and/or subordinate the payment of the same to the payment of any other obligations; (iii) request and accept other guaranties of the Guaranteed Obligations and take and hold security for the payment hereof or the Guaranteed Obligations; (iv) release, surrender, exchange, substitute, compromise, settle, rescind, waive, alter, subordinate or modify, with or without consideration, any security for payment of the Guaranteed Obligations, any other guaranties of the Guaranteed Obligations, or any other obligation of any Person (including any other Subsidiary Guarantor) with respect to the Guaranteed Obligations; (v) enforce and apply any security now or hereafter held by or for the benefit of such Beneficiary in respect hereof or the Guaranteed Obligations and direct the order or manner of sale thereof, or exercise any other right or remedy that such Beneficiary may have against any such security, in each case as such Beneficiary in its discretion may determine consistent herewith and any applicable security agreement, including foreclosure on any such security pursuant to one or more judicial or non-judicial sales, whether or not every aspect of any such sale is commercially reasonable, and even though such action operates to impair or extinguish any right of reimbursement or subrogation or other right or remedy of any Subsidiary Guarantor against Parent or any security for the Guaranteed Obligations; and (vi) exercise any other rights available to it under the Loan Documents; and

(f) this Guaranty and the obligations of the Subsidiary Guarantors hereunder shall be valid and enforceable and shall not be subject to any reduction, limitation, impairment, discharge or termination for any reason (other than payment in full of the Guaranteed Obligations), including the occurrence of any of the following, whether or not any Subsidiary Guarantor shall have had notice or knowledge of any of them: (i) any failure or omission to assert or enforce or agreement or election not to assert or enforce, or the stay or enjoining, by order of court, by operation of law or otherwise, of the exercise or enforcement of, any claim or demand or any right, power or remedy (whether arising under the Loan Documents, at law, in equity or otherwise) with respect to the Guaranteed Obligations or any agreement relating thereto, or with respect to any other guaranty of or security for the payment of the Guaranteed Obligations; (ii) any rescission, waiver, amendment or modification of, or any consent to departure from, any of the terms or provisions (including provisions relating to events of default) hereof, any of the other Loan Documents, or of any other guaranty or security for the Guaranteed

hereof, any of the other Loan Documents, or of any other guaranty or security for the Guaranteed

Obligations, in each case whether or not in accordance with the terms hereof or such Loan Document or any agreement relating to such other guaranty or security; (iii) the Guaranteed Obligations, or any agreement relating thereto, at any time being found to be illegal, invalid or unenforceable in any respect; (iv) the application of payments received from any source (other than payments received pursuant to the other Loan Documents or from the proceeds of any security for the Guaranteed Obligations, except to the extent such security also serves as collateral for indebtedness other than the Guaranteed Obligations) to the payment of indebtedness other than the Guaranteed Obligations, even though any Beneficiary might have elected to apply such payment to any part or all of the Guaranteed Obligations; (v) any Beneficiary's consent to the change, reorganization or termination of the corporate structure or existence of Parent or any of their Subsidiaries and to any corresponding restructuring of the Guaranteed Obligations; (vi) any failure to perfect or continue perfection of a security interest in any collateral which secures any of the Guaranteed Obligations; (vii) any defenses, set-offs or counterclaims which Parent may allege or assert against any Beneficiary in respect of the Guaranteed Obligations, including failure of consideration, breach of warranty, payment, statute of frauds, statute of limitations, accord and satisfaction and usury; and (viii) any other act or thing or omission, or delay to do any other act or thing, which may or might in any manner or to any extent vary the risk of any Subsidiary Guarantor as an obligor in respect of the Guaranteed Obligations.

Section 7.5 Waivers by Subsidiary Guarantors. Each Subsidiary Guarantor hereby waives, for the benefit of Beneficiaries: (a) any right to require any Beneficiary, as a condition of payment or performance by such Subsidiary Guarantor, to (i) proceed against Parent, any other guarantor (including any other Subsidiary Guarantor) of the Guaranteed Obligations or any other Person, (ii) proceed against or exhaust any security held from Parent, any such other guarantor or any other Person, (iii) proceed against or have resort to any balance of any Deposit Account or credit on the books of any Beneficiary in favor of Parent or any other Person, or (iv) pursue any other remedy in the power of any Beneficiary whatsoever; (b) any defense arising by reason of the incapacity, lack of authority or any disability or other defense of Parent or any other Subsidiary Guarantor including any defense based on or arising out of the lack of validity or the unenforceability of the Guaranteed Obligations or any agreement or instrument relating thereto or by reason of the cessation of the liability of Parent or any other Subsidiary Guarantor from any cause other than payment in full of the Guaranteed Obligations; (c) any defense based upon any statute or rule of law which provides that the obligation of a surety must be neither larger in amount nor in other respects more burdensome than that of the principal; (d) any defense based upon any Beneficiary's errors or omissions in the administration of the Guaranteed Obligations, except behavior which amounts to bad faith; (e) (i) any principles or provisions of law, statutory or otherwise, which are or might be in conflict with the terms hereof and any legal or equitable discharge of such Subsidiary Guarantor's obligations hereunder, (ii) the benefit of any statute of limitations affecting such Subsidiary Guarantor's liability hereunder or the enforcement hereof, (iii) any rights to set-offs, recoupments and counterclaims, and (iv) promptness, diligence and any requirement that any Beneficiary protect, secure, perfect or insure any security interest or lien or any property subject thereto; (f) notices, demands, presentments, protests, notices of protest, notices of dishonor and notices of any action or inaction, including acceptance hereof, notices of default hereunder or any agreement or instrument related thereto, notices of any renewal, extension or modification of the Guaranteed Obligations or any agreement related thereto, notices of any extension of credit to Parent and notices of any of the matters referred to

thereto, notices of any extension of credit to Parent and notices of any of the matters referred to

in Section 7.4 and any right to consent to any thereof; and (g) any defenses or benefits that may be derived from or afforded by law which limit the liability of or exonerate guarantors or sureties, or which may conflict with the terms hereof.

Section 7.6 Subsidiary Guarantors' Rights of Subrogation, Contribution, Etc.

(a) Subject to the waiver described in clause (b) below, to the extent the Subsidiary Guarantors do not otherwise possess a right of subrogation against Parent at equity, by statute, under common law or otherwise, the Subsidiary Guarantors and Parent agree that, for valid consideration given, the Subsidiary Guarantors shall have such a right of subrogation.

(b) Until the Guaranteed Obligations shall have been indefeasibly paid in full, each Subsidiary Guarantor hereby waives any claim, right or remedy, direct or indirect, that such Subsidiary Guarantor now has or may hereafter have against Parent or any other Subsidiary Guarantor or any of its assets in connection with this Guaranty or the performance by such Subsidiary Guarantor of its obligations hereunder, in each case whether such claim, right or remedy arises in equity, under contract, by statute, under common law or otherwise and including (i) any right of subrogation, reimbursement or indemnification that such Subsidiary Guarantor now has or may hereafter have against Parent with respect to the Guaranteed Obligations, (ii) any right to enforce, or to participate in, any claim, right or remedy that any Beneficiary now has or may hereafter have against Parent, and (iii) any benefit of, and any right to participate in, any collateral or security now or hereafter held by any Beneficiary. In addition, until the Guaranteed Obligations shall have been indefeasibly paid in full, each Subsidiary Guarantor shall withhold exercise of any right of contribution such Subsidiary Guarantor may have against any other guarantor (including any other Subsidiary Guarantor) of the Guaranteed Obligations, including any such right of contribution as contemplated by Section 7.2. Each Subsidiary Guarantor further agrees that, to the extent the waiver or agreement to withhold the exercise of its rights of subrogation, reimbursement, indemnification and contribution as set forth herein is found by a court of competent jurisdiction to be void or voidable for any reason, any rights of subrogation, reimbursement or indemnification such Subsidiary Guarantor may have against Parent or against any collateral or security, and any rights of contribution such Subsidiary Guarantor may have against any such other guarantor, shall be junior and subordinate to any rights any Beneficiary may have against Parent, to all right, title and interest any Beneficiary may have in any such collateral or security, and to any right any Beneficiary may have against such other guarantor. If any amount shall be paid to any Subsidiary Guarantor on account of any such subrogation, reimbursement, indemnification or contribution rights at any time when all Guaranteed Obligations shall not have been finally and indefeasibly paid in full, such amount shall be held in trust for the Administrative Agent on behalf of Beneficiaries and shall forthwith be paid over to the Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations, whether matured or unmatured, in accordance with the terms hereof.

Section 7.7 Subordination of Other Obligations. Any Indebtedness of Parent or any Subsidiary Guarantor now or hereafter held by any Subsidiary Guarantor (the "Obligee Guarantor") is hereby subordinated in right of payment to the Guaranteed Obligations, and any such Indebtedness collected or received by the Obligee Guarantor after an Event of Default has occurred and is continuing shall be held in trust for the Administrative Agent on behalf of

Beneficiaries and shall forthwith be paid over to the Administrative Agent for the benefit of Beneficiaries to be credited and applied against the Guaranteed Obligations but without affecting, impairing or limiting in any manner the liability of the Obligee Guarantor under any other provision hereof.

Section 7.8 Continuing Guaranty. This Guaranty is a continuing guaranty and shall remain in effect until all of the Guaranteed Obligations shall have been paid in full. Each Subsidiary Guarantor hereby irrevocably waives any right to revoke this Guaranty as to future transactions giving rise to any Guaranteed Obligations.

Section 7.9 Authority of Subsidiary Guarantors or Parent. It is not necessary for any Beneficiary to inquire into the capacity or powers of any Subsidiary Guarantor or Parent or the officers, directors or any agents acting or purporting to act on behalf of any of them.

Section 7.10 Financial Condition of Parent. Any Loan may be made to Parent or continued from time to time without notice to or authorization from any Subsidiary Guarantor regardless of the financial or other condition of Parent at the time of any such grant or continuation. No Beneficiary shall have any obligation to disclose or discuss with any Subsidiary Guarantor its assessment, or any Subsidiary Guarantor's assessment, of the financial condition of Parent. Each Subsidiary Guarantor has adequate means to obtain information from Parent on a continuing basis concerning the financial condition of Parent and its ability to perform its obligations under the Loan Documents and each Subsidiary Guarantor assumes the responsibility for being and keeping informed of the financial condition of Parent and of all circumstances bearing upon the risk of nonpayment of the Guaranteed Obligations. Each Subsidiary Guarantor hereby waives and relinquishes any duty on the part of any Beneficiary to disclose any matter, fact or thing relating to the business, operations or conditions of Parent now known or hereafter known by any Beneficiary.

Section 7.11 Bankruptcy, Etc.

(a) So long as any Guaranteed Obligations remain outstanding, no Subsidiary Guarantor shall, without the prior written consent of the Administrative Agent acting pursuant to the instructions of the Required Lenders, commence or join with any other Person in commencing any bankruptcy, reorganization or insolvency case or proceeding of or against Parent or any other Subsidiary Guarantor. The obligations of the Subsidiary Guarantors hereunder shall not be reduced, limited, impaired, discharged, deferred, suspended or terminated by any case or proceeding, voluntary or involuntary, involving the bankruptcy, insolvency, receivership, reorganization, liquidation or arrangement of Parent or any other Subsidiary Guarantor or by any defense which Parent or any other Subsidiary Guarantor may have by reason of the order, decree or decision of any court or administrative body resulting from any such proceeding.

(b) Each Subsidiary Guarantor acknowledges and agrees that any interest on any portion of the Guaranteed Obligations which accrues after the commencement of any case or proceeding referred to in clause (a) above (or, if interest on any portion of the Guaranteed Obligations ceases to accrue by operation of law by reason of the commencement of such case or proceeding, such interest as would have accrued on such portion of the Guaranteed Obligations if

such case or proceeding had not been commenced) shall be included in the Guaranteed Obligations because it is the intention of the Subsidiary Guarantors and Beneficiaries that the Guaranteed Obligations which are guaranteed by the Subsidiary Guarantors pursuant hereto should be determined without regard to any rule of law or order which may relieve Parent of any portion of such Guaranteed Obligations. The Subsidiary Guarantors shall permit any trustee in bankruptcy, receiver, debtor in possession, assignee for the benefit of creditors or similar Person to pay the Administrative Agent, or allow the claim of the Administrative Agent in respect of, any such interest accruing after the date on which such case or proceeding is commenced.

(c) In the event that all or any portion of the Guaranteed Obligations are paid by Parent or any Subsidiary Guarantor, the obligations of the Subsidiary Guarantors hereunder shall continue and remain in full force and effect or be reinstated, as the case may be, in the event that all or any part of such payment(s) are rescinded or recovered directly or indirectly from any Beneficiary as a preference, fraudulent transfer or otherwise, and any such payments which are so rescinded or recovered shall constitute Guaranteed Obligations for all purposes hereunder as if such payments had not been made.

Section 7.12 Discharge of Guaranty Upon Sale of any Subsidiary Guarantor. If all of the Equity Interests of any Subsidiary Guarantor or any of its successors in interest hereunder shall be sold or otherwise disposed of (including by merger or consolidation) in a manner permitted by the terms and conditions hereof, the Guaranty of such Subsidiary Guarantor or such successor in interest, as the case may be, hereunder shall automatically be discharged and released without any further action by any Beneficiary or any other Person effective as of the time of such sale or other disposition.

ARTICLE VIII

EVENTS OF DEFAULT

Section 8.1 Events of Default. If any one or more of the following conditions or events occur:

(a) Failure to Make Payments When Due. Failure by Parent to pay (i) when due any principal of any Loan or any other amount due on the applicable Maturity Date or upon acceleration of the maturity thereof pursuant to this Section 8.1; or (ii) any interest on any Loan or any fee or any other amount due hereunder within four (4) Business Days after the date due; or

(b) Breach of Representations, Etc. Any representation, warranty, certification or other statement made or deemed made by any Loan Party in any Loan Document or in any statement or certificate at any time given by any Loan Party in writing pursuant hereto or thereto or in connection herewith or therewith shall be false in any material respect as of the date made or deemed made; or

(c) Breach of Certain Covenants. Failure of any Loan Party to perform or comply with any term or condition contained in Section 5.1, 5.2 or 5.13 or in Article VI (subject

to, in the case of the financial covenants set forth in Section 6.7, the cure rights contained in Section 8.2); or

(d) Other Defaults Under Loan Documents. Any Loan Party shall default in the performance of or compliance with any term contained herein or any of the other Loan Documents, other than any such term referred to in any other Section of this Section 8.1, and such default shall not have been remedied or waived within thirty (30) days after the receipt by Parent of notice from the Administrative Agent or any Lender of such default; or

(e) Default in Other Agreements. (i) Failure of any Loan Party to pay when due any Indebtedness (other than Indebtedness referred to in Section 8.1(a) and Non-Recourse Indebtedness) in an aggregate principal amount of $25,000,000 or more, beyond the grace period, if any, provided therefor; (ii) breach or default (1) by any Loan Party with respect to any other term of Indebtedness (other than Indebtedness referred to in Section 8.1(a) and Non-Recourse Indebtedness) in an aggregate principal amount of $25,000,000 or more, (2) by NewRez with respect to any term of Indebtedness (other than Non-Recourse Indebtedness) in an aggregate principal amount of $50,000,000 or more, (3) by any Issuer of Pledged Equity (each as defined in the Security Agreement) with respect to any term of Indebtedness (other than Non-Recourse Indebtedness) in an aggregate principal amount of $25,000,000 or more, or (4) by any Loan Party with respect to any loan agreement, mortgage, indenture or other agreement relating to such items of Indebtedness described in the foregoing clauses (1), (2) and (3), in each case beyond the grace period, if any, provided therefor, if the effect of such breach or default is to cause, or to permit the holder or holders of that Indebtedness (or a trustee on behalf of such holder or holders), to cause, that Indebtedness to become or be declared due and payable (or redeemable) prior to its stated maturity or the stated maturity of any underlying obligation, as the case may be; or (iii) breach or default by NRM with respect to Indebtedness arising under any agreements with Fannie Mae or Freddie Mac if Fannie Mae or Freddie Mac, as applicable, has notified NRM of its intention to terminate NRM, with cause, as a result of such breach or default, which is uncurable (after giving effect to all deadline extensions and whatever additional time that Fannie Mae or Freddie Mac, as applicable, gives in writing beyond the cure period specified in such agreement, including by way of forbearance); provided, however, that, no Event of Default shall occur under this clause (e) as a result of any such failure to pay, breach or default with respect to any such Indebtedness described in this clause (e), if such failure to pay, breach or default, as applicable, shall have been cured or waived by the holder or holders of such Indebtedness (or a trustee on behalf of such holder or holders); or

(f) Involuntary Bankruptcy; Appointment of Receiver, Etc. (i) A court of competent jurisdiction shall enter a decree or order for relief in respect of Parent or any other Loan Party in an involuntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, which decree or order is not stayed; or any other similar relief shall be granted under any applicable federal or state law; or (ii) an involuntary case shall be commenced against Parent or any other Loan Party under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect; or a decree or order of a court having jurisdiction in the premises for the appointment of a receiver, liquidator, sequestrator, trustee, conservator, custodian or other officer having similar powers over Parent or any other Loan Party, or over all or a substantial part of its property, shall have been entered; or there shall have occurred the involuntary appointment of an

property, shall have been altered, or that shall have occurred the inventory appointment or an

interim receiver, trustee, conservator or other custodian of Parent or any other Loan Party for all or a substantial part of its property; or a warrant of attachment, execution or similar process shall have been issued against any substantial part of the property of Parent or any other Loan Party, and any such event described in this clause (ii) shall continue for sixty (60) consecutive days without having been dismissed, bonded or discharged; or

(g) Voluntary Bankruptcy; Appointment of Receiver, Etc. (i) Parent or any other Loan Party shall have an order for relief entered with respect to it or shall commence a voluntary case under the Bankruptcy Code or under any other applicable bankruptcy, insolvency or similar law now or hereafter in effect, or shall consent to the entry of an order for relief in an involuntary case, or to the conversion of an involuntary case to a voluntary case, under any such law, or shall consent to the appointment of or taking possession by a receiver, trustee, conservator or other custodian for all or a substantial part of its property; or Parent or any other Loan Party shall make any assignment for the benefit of creditors; or (ii) Parent or any other Loan Party shall be unable, or shall fail generally, or shall admit in writing its inability, to pay its debts as such debts become due; or

(h) Judgments and Attachments. Any money judgment, writ or warrant of attachment or similar process involving in the aggregate at any time an amount in excess of $25,000,000 (to the extent not adequately covered by insurance as to which a solvent and unaffiliated insurance company has not expressly denied coverage) shall be entered or filed against Parent or any other Loan Party or any of their respective assets and shall remain undischarged, unvacated, unbonded or unstayed for a period of forty-five (45) consecutive days; or

(i) Employee Benefit Plans. There shall occur one or more ERISA Events which individually or in the aggregate results in or would reasonably be expected to result in a Material Adverse Effect on Parent during the term hereof; or

(j) Change of Control. A Change of Control occurs; or

(k) Guaranties, Security Documents and other Loan Documents. At any time after the execution and delivery thereof, (i) the Guaranty for any reason, other than the satisfaction in full of all Obligations (other than contingent indemnification and cost reimbursement obligations for which no claim has been made), shall cease to be in full force and effect (other than in accordance with its terms) or shall be declared to be null and void or any Subsidiary Guarantor shall repudiate its obligations thereunder, (ii) this Agreement or any Security Document ceases to be in full force and effect (other than by reason of a release of Collateral in accordance with the terms hereof or thereof or the satisfaction in full of the Obligations (other than contingent indemnification and cost reimbursement obligations for which no claim has been made) in accordance with the terms hereof) or shall be declared null and void, or the Collateral Agent shall not have or shall cease to have a valid and perfected Lien in any material portion of the Collateral purported to be covered by the Security Documents with the priority required by the relevant Security Document or (iii) any Loan Party shall contest the validity or enforceability of any Loan Document in writing or deny in writing that it has any further liability under any Loan Document to which it is a party or shall contest the validity or perfection of any Lien in any Collateral purported to be covered by the Security Documents;

THEN, (1) upon the occurrence of any Event of Default described in Section 8.1(f) or 8.1(g), automatically, and (2) upon the occurrence and continuation of any other Event of Default, at the request of (or with the consent of) the Required Lenders, upon notice to Parent by the Administrative Agent, (A) each of the following shall immediately become due and payable, in each case without presentment, demand, protest or other requirements of any kind, all of which are hereby expressly waived by each Loan Party: (I) the unpaid principal amount of and accrued interest on the Loans, and (II) all other Obligations; and (B) the Administrative Agent may cause the Collateral Agent to enforce any and all Liens and security interests created pursuant to Security Documents.

Section 8.2 Right to Cure.

(a) Notwithstanding anything to the contrary contained in Section 8.1, in the event that Parent fails to comply with the requirements of the financial covenant set forth in Section 6.7(a) for any particular month, then from the date that financial statements of Parent are required to have been delivered pursuant to Sections 5.1(a) with respect to such month until the expiration of the thirtieth (30th) day thereafter (the last day of such period being the "Anticipated Cure Deadline"), Parent or any of its Subsidiaries shall have the right (the "Cure Right") to sell or issue common or preferred Equity Interests (other than Disqualified Equity Interests) for cash or to obtain a cash contribution to its equity (which shall be in the form of common or preferred equity (other than Disqualified Equity Interests)), and upon the receipt by Parent of such cash (or the use by Parent of cash on hand equal to such amount) (the "Cure Amount"), pursuant to the exercise by Parent of such Cure Right, the calculation of Tangible Book Value, as used in the financial covenant set forth in Section 6.7(a) shall be recalculated giving effect to the following pro forma adjustments:

(i) Stockholders' equity for such month (and for any subsequent period that includes such month) shall be increased, solely for the purpose of measuring either or both of Tangible Book Value for the financial covenant set forth in Section 6.7(a); provided that the receipt by Parent of the Cure Amount pursuant to the Cure Right shall be deemed to have no other effect on a Consolidated basis under this Agreement except as set forth in this clause (i);

(ii) if, after giving effect to the foregoing recalculations, Parent shall then be in compliance with the requirements of the financial covenant set forth in Section 6.7(a), Parent shall be deemed to have satisfied the requirements of such financial covenant as of the relevant date of determination with the same effect as though there had been no failure to comply therewith at such date, and the applicable breach or default of such financial covenant that had occurred (and any other Default as a result thereof, including the failure to meet any condition requiring no Default or Event of Default based solely on the basis of any actual or purported Event of Default under such financial covenant) shall be deemed cured for the purposes of this Agreement; and

(iii) upon receipt by the Administrative Agent of written notice, on or prior to the Anticipated Cure Deadline, that Parent intends to exercise the Cure Right in respect of a month, the Lenders shall not be permitted to accelerate Loans held by them or to exercise remedies against the Collateral on the basis of a failure to comply with the

requirements of such financial covenant, unless such failure is not cured pursuant to the exercise of the Cure Right on or prior to the Anticipated Cure Deadline.

(b) Notwithstanding anything herein to the contrary, (i) in each four (4) consecutive fiscal quarter period there shall be at least two (2) fiscal quarters in respect of which the Cure Right is not exercised for any month therein, (ii) there can be no more than four (4) fiscal quarters in respect of which the Cure Right is exercised for any month therein during the term of the Initial Term Loans and (iii) for purposes of this Section 8.2, the Cure Amount utilized shall be no greater than the minimum amount required to remedy the applicable failure to comply with the financial covenant.

(c) Notwithstanding the foregoing, in no event shall Parent be permitted to exercise any Cure Right unless a prepayment is made with the required portion of the Cure Amount pursuant to Section 2.10(e).

ARTICLE IX

AGENTS

Section 9.1 Appointment of Agents. Cortland is hereby appointed the Administrative Agent and the Collateral Agent hereunder and under the other Loan Documents and each Lender hereby authorizes Cortland to act as the Administrative Agent and the Collateral Agent in accordance with the terms hereof and the other Loan Documents. Each Agent hereby agrees to act in its capacity as such upon the express conditions contained herein and the other Loan Documents, as applicable. In performing its functions and duties hereunder, each Agent shall act solely as an agent of Lenders and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for Parent or any of its Subsidiaries (other than with respect to the Register pursuant to Section 2.4(b) and the Participant Register pursuant to Section 10.6(f)(iii)). Each of the Administrative Agent and the Collateral Agent, without consent of or notice to any party hereto, may assign any and all of its rights or obligations hereunder to any of its Affiliates.

Section 9.2 Powers and Duties. Each Lender irrevocably authorizes each Agent to take such action on such Lender's behalf and to exercise such powers, rights and remedies hereunder and under the other Loan Documents as are specifically delegated or granted to such Agent by the terms hereof and thereof, together with such powers, rights and remedies as are reasonably incidental thereto. Each Agent shall have only those duties and responsibilities that are expressly specified herein and the other Loan Documents. Each Agent may exercise such powers, rights and remedies and perform such duties by or through its agents or employees. No Agent shall have, by reason hereof or any of the other Loan Documents, a fiduciary relationship in respect of any Lender; and nothing herein or any of the other Loan Documents, expressed or implied, is intended to or shall be so construed as to impose upon any Agent any obligations in respect hereof or any of the other Loan Documents except as expressly set forth herein or therein.

Section 9.3 General Immunity.

(a) No Responsibility for Certain Matters. No Agent shall be responsible to any Lender for the execution, effectiveness, genuineness, validity, enforceability, collectability or sufficiency hereof or any other Loan Document, the perfection or priority of any Lien, or for any representations, warranties, recitals or statements made herein or therein or made in any written or oral statements or in any financial or other statements, instruments, reports or certificates or any other documents furnished or made by any Agent to Lenders or by or on behalf of any Loan Party or to any Lender in connection with the Loan Documents and the transactions contemplated thereby or for the financial condition or business affairs of any Loan Party or any other Person liable for the payment of any Obligations, nor shall any Agent be required to ascertain or inquire as to the performance or observance of any of the terms, conditions, provisions, covenants or agreements contained in any of the Loan Documents or as to the use of the proceeds of the Loans or as to the existence or possible existence of any Event of Default or Default or to make any disclosures with respect to the foregoing. Anything contained herein to the contrary notwithstanding, the Administrative Agent shall not have any liability arising from confirmations of the amount of outstanding Loans or the component amounts thereof.

(b) Exculpatory Provisions. No Agent nor any of its officers, partners, directors, employees or agents shall be liable to Lenders for any action taken or omitted by any Agent under or in connection with any of the Loan Documents except to the extent caused by such Agent's gross negligence or willful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction (for the avoidance of doubt, no action taken or omitted by any Agent at the instruction of the Required Lenders (or such other Lenders as may be required to give such instructions under Section 10.5) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 9.3). Each Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until written notice clearly marked "notice of default" and describing such Default or Event of Default is given to such Agent by Parent or a Lender. No Agent shall, except as expressly set forth herein and in the other Loan Documents, have any duty to disclose, and shall be liable for the failure to disclose, any information relating to Parent or any of its Affiliates that is communicated to or obtained by the Person serving as Agent or any of its Affiliates in any capacity. Each Agent shall be entitled to refrain from any act or the taking of any action (including the failure to take an action) in connection herewith or any of the other Loan Documents or from the exercise of any power, discretion or authority vested in it hereunder or thereunder unless and until such Agent shall have received instructions in respect thereof from the Required Lenders (or such other Lenders as may be required to give such instructions under Section 10.5) and, upon receipt of such instructions from the Required Lenders (or such other Lenders, as the case may be), such Agent shall be entitled to act or (where so instructed) refrain from acting, or to exercise such power, discretion or authority, in accordance with such instructions and shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Administrative Agent to liability or that is contrary to any Loan Document or applicable law. Without prejudice to the generality of the foregoing, (i) each Agent shall be entitled to rely, and shall be fully protected in relying, upon any communication, instrument or document believed by it to be genuine and correct and to have been signed or sent by the proper Person or Persons, and shall be entitled to rely and shall be protected in relying on opinions and judgments of attorneys (who may be attorneys for Parent

be protected in relying on opinions and judgments of attorneys (who may be attorneys for Parent

and its Subsidiaries), accountants, experts and other professional advisors selected by it; and (ii) no Lender shall have any right of action whatsoever against any Agent as a result of such Agent acting or (where so instructed) refraining from acting hereunder or any of the other Loan Documents in accordance with the instructions of the Required Lenders (or such other Lenders as may be required to give such instructions under Section 10.5). No provision of this Agreement or any other Loan Document or any agreement or instrument contemplated hereby or thereby or the transactions contemplated hereby or thereby shall require the Administrative Agent or the Collateral Agent to: (1) expend or risk its own funds or provide indemnities in the performance of any of its duties hereunder or exercise of any of its rights or powers or (ii) otherwise incur any financial liability in the performance of its duties or the exercise of any of its rights or powers.

(c) Delegation of Duties. The Administrative Agent may perform any and all of its duties and exercise its rights and powers under this Agreement or under any other Loan Document by or through any one (1) or more sub-agents appointed by the Administrative Agent. The Administrative Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory, indemnification and other provisions of this Section 9.3 and of Section 9.6 shall apply to the Affiliates of the Administrative Agent and shall apply to their respective activities in connection with the syndication of the credit facilities provided for herein as well as activities of the Administrative Agent and the Syndication Agent. All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Section 9.3 and of Section 9.6 shall apply to any such sub-agent and to the Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were named herein. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by the Administrative Agent, (i) such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory rights and rights to indemnification) and shall have all of the rights and benefits of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of Loan Parties and the Lenders, (ii) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) shall not be modified or amended without the consent of such sub-agent, and (iii) such sub-agent shall only have obligations to the Administrative Agent and not to any Loan Party, Lender or any other Person and no Loan Party, Lender or any other Person shall have any rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub-agent.

Section 9.4 Agents Entitled to Act as Lender. The agency hereby created shall in no way impair or affect any of the rights and powers of, or impose any duties or obligations upon, any Agent in its individual capacity as a Lender hereunder. With respect to its participation in the Loans, each Agent shall have the same rights and powers hereunder as any other Lender and may exercise the same as if it were not performing the duties and functions delegated to it hereunder, and the term "Lender" shall, unless the context clearly otherwise indicates, include each Agent in its individual capacity. Any Agent and its Affiliates may accept deposits from, lend money to, own securities of, and generally engage in any kind of banking, trust, financial advisory or other business with Parent or any of its Affiliates as if it were not performing the duties specified herein, and may accept fees and other consideration from Parent for services in connection herewith and otherwise without having to account for the same to Lenders.

herewith and otherwise without having to account for the same to Lenders.

Section 9.5 Lenders' Representations, Warranties and Acknowledgment.

(a) Each Lender represents and warrants that it has made its own independent investigation of the financial condition and affairs of Parent and its Subsidiaries in connection with Loans hereunder and that it has made and shall continue to make its own appraisal of the creditworthiness of Parent and its Subsidiaries. No Agent shall have any duty or responsibility, either initially or on a continuing basis, to make any such investigation or any such appraisal on behalf of Lenders or to provide any Lender with any credit or other information with respect thereto, whether coming into its possession before the making of the Loans or at any time or times thereafter, and no Agent shall have any responsibility with respect to the accuracy of or the completeness of any information provided to Lenders.

(b) Each Lender, by delivering its signature page to this Agreement or an Assignment Agreement or a Joinder Agreement and funding its Loan, on the Effective Date, the Second Draw Date or the Increased Amount Date, as applicable, shall be deemed to have acknowledged receipt of, and consented to and approved, each Loan Document and each other document required to be approved by any Agent, the Required Lenders or Lenders, as applicable on the Effective Date, the Second Draw Date or the Increased Amount Date, as applicable.

Section 9.6 Indemnity. Each Lender, in proportion to its Pro Rata Share, severally agrees to indemnify and hold harmless each Agent, to the extent that such Agent shall not have been reimbursed by any Loan Party (and without limiting its obligation to do so), for and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses (including counsel fees and disbursements) or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against such Agent in exercising its powers, rights and remedies or performing its duties hereunder or under the other Loan Documents or otherwise in its capacity as such Agent in any way relating to or arising out of this Agreement or the other Loan Documents; provided that no Lender shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from such Agent's gross negligence or willful misconduct, as determined by a final, non-appealable judgment of a court of competent jurisdiction. If any indemnity furnished to any Agent for any purpose shall, in the opinion of such Agent, be insufficient or become impaired, such Agent may call for additional indemnity and cease, or not commence, to do the acts indemnified against until such additional indemnity is furnished; provided that in no event shall this sentence require any Lender to indemnify any Agent against any liability, obligation, loss, damage, penalty, action, judgment, suit, cost, expense or disbursement in excess of such Lender's Pro Rata Share thereof.

Section 9.7 Successor Administrative Agent and Collateral Agent. The Administrative Agent shall have the right to resign at any time by giving prior written notice thereof to Lenders and Parent. The Administrative Agent shall have the right to appoint a financial institution to act as the Administrative Agent and/or the Collateral Agent hereunder, subject to the reasonable satisfaction of Parent and the Required Lenders, and the Administrative Agent's resignation shall become effective on the earlier of (i) the acceptance of such successor Administrative Agent by Parent and the Required Lenders or (ii) the thirtieth (30th) day after such notice of resignation. Upon any such notice of resignation, if a successor Administrative Agent has not already been appointed by the retiring Administrative Agent, the Required Lenders shall have the right, upon

five (5) Business Days' notice to Parent, to appoint a successor Administrative Agent, subject to the reasonable satisfaction of Parent. If neither the Required Lenders nor the Administrative Agent have appointed a successor Administrative Agent, the Required Lenders shall be deemed to have succeeded to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent; provided that until a successor Administrative Agent is so appointed by the Required Lenders or the Administrative Agent, the Administrative Agent, by notice to Parent and the Required Lenders, may retain its role as the Collateral Agent under any Security Document. Upon the acceptance of any appointment as the Administrative Agent hereunder by a successor Administrative Agent, that successor Administrative Agent shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall promptly (i) transfer to such successor Administrative Agent all sums, Securities and other items of Collateral held under the Security Documents, together with all records and other documents necessary or appropriate in connection with the performance of the duties of the successor Administrative Agent under the Loan Documents, and (ii) execute and deliver to such successor Administrative Agent such amendments to financing statements, and take such other actions, as may be necessary or appropriate in connection with the assignment to such successor Administrative Agent of the security interests created under the Security Documents, whereupon such retiring Administrative Agent shall be discharged from its duties and obligations hereunder. Except as provided above, any resignation of Cortland or its successor as the Administrative Agent pursuant to this Section 9.7 shall also constitute the resignation of Cortland or its successor as the Collateral Agent. After any retiring Administrative Agent's resignation hereunder as Administrative Agent, the provisions of this Section 9.7 shall inure to its benefit as to any actions taken or omitted to be taken by it while it was the Administrative Agent hereunder. Any successor Administrative Agent appointed pursuant to this Section 9.7 shall, upon its acceptance of such appointment, become the successor Collateral Agent for all purposes hereunder.

Section 9.8 Security Documents and Guaranty.

(a) Agents under Security Documents and Guaranty. Each Secured Party hereby further authorizes the Administrative Agent or the Collateral Agent, as applicable, on behalf of and for the benefit of Secured Parties, to be the agent for and representative of Secured Parties with respect to the Guaranty, the Collateral and the Security Documents. Without further written consent or authorization from any Secured Party, the Administrative Agent or the Collateral Agent, as applicable may execute any documents or instruments necessary to (i) in connection with a sale or disposition of assets permitted by this Agreement, release any Lien encumbering any item of Collateral that is the subject of such sale or other disposition of assets or to which the Required Lenders (or such other Lenders as may be required to give such consent under Section 10.5) have otherwise consented or (ii) release any Subsidiary Guarantor from the Guaranty pursuant to Section 7.12 or with respect to which the Required Lenders (or such other Lenders as may be required to give such consent under Section 10.5) have otherwise consented. The Agents shall not be responsible for (i) perfecting, maintaining, monitoring, preserving or protecting the security interest or Lien granted under this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, (ii) the filing, re-filing, recording, re-recording or continuing of any document, financing statement, mortgage, assignment, notice, instrument of further assurance or other instrument in any public office at

any time or times or (iii) providing, maintaining, monitoring or preserving insurance on, or the payment of taxes with respect to, any of the Collateral.

(b) Right to Realize on Collateral and Enforce Guaranty. Anything contained in any of the Loan Documents to the contrary notwithstanding, Parent, the Administrative Agent, the Collateral Agent and each Secured Party hereby agree that (i) no Secured Party shall have any right individually to realize upon any of the Collateral or to enforce the Guaranty, it being understood and agreed that all powers, rights and remedies hereunder may be exercised solely by the Administrative Agent, on behalf of the Secured Parties in accordance with the terms hereof and all powers, rights and remedies under the Security Documents may be exercised solely by the Collateral Agent and (ii) in the event of a foreclosure by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition, the Collateral Agent or any Lender may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Collateral Agent, as agent for and representative of the Secured Parties (but not any Lender or Lenders in its or their respective individual capacities unless the Required Lenders shall otherwise agree in writing) shall be entitled, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such public sale, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale or other disposition.

(c) Release of Collateral and Guarantees, Termination of Loan Documents. Notwithstanding anything to the contrary contained herein or any other Loan Document, when all Obligations (other than contingent indemnification and cost reimbursement obligations for which no claim has been made) have been paid in full and all Commitments have terminated or expired or been cancelled, each of the Administrative Agent and the Collateral Agent shall (without notice to, or vote or consent of, any Lender) take such actions as shall be necessary or advisable or reasonably requested by Parent to release its security interest in all Collateral, and to release all guarantee obligations provided for in any Loan Document. Any such release of guarantee obligations shall be deemed subject to the provision that such guarantee obligations shall be reinstated if after such release any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Parent or any other Loan Party, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, Parent or any other Loan Party or any substantial part of its property, or otherwise, all as though such payment had not been made. In addition, the Agents and the Lenders hereby agree that in connection with (i) any sale or transfer not prohibited by this Agreement or any other Loan Document (including a sale or transfer of a Subsidiary) or (ii) any Collateral becoming an Excluded Asset (as defined in the Security Agreement), any Lien on any assets transferred as part of or in connection with any such sale or transfer or on such Excluded Assets, as the case may be, and granted to or held by the Collateral Agent under any Loan Document shall be automatically released at the time of consummation of such sale or transfer or upon such asset becoming an Excluded Asset.

(d) No Agent shall be required to qualify in any jurisdiction in which it is not presently qualified to perform its obligations as Agent.

Section 9.9 Withholding Taxes. To the extent required by any applicable law, the Administrative Agent may withhold from any payment to any Lender an amount equivalent to any applicable withholding Tax. If the Internal Revenue Service or any other Governmental Authority asserts a claim that the Administrative Agent did not properly withhold Tax from amounts paid to or for the account of any Lender for any reason (including because the appropriate form was not delivered or was not properly executed or because such Lender failed to notify the Administrative Agent of a change in circumstance which rendered the exemption from, or reduction of, withholding Tax ineffective), such Lender shall indemnify the Administrative Agent fully for all amounts paid, directly or indirectly, by the Administrative Agent as Tax or otherwise, including any penalties, additions to Tax or interest and together with all expenses (including legal expenses, allocated internal costs and out-of-pocket expenses) incurred, whether or not such Tax was correctly or legally asserted. A certificate as to the amount of such payment or liability delivered to any Lender by the Administrative Agent shall be conclusive absent manifest error. The agreements in this Section 9.9 shall survive the resignation and/or replacement of the Administrative Agent, any assignment of rights by, or the replacement of, a Lender, the termination of the Agreement and the repayment, satisfaction or discharge of all other obligations. Each Lender hereby authorizes the Administrative Agent to set off and apply any and all amounts at any time owing to such Lender under this Agreement or any other Loan Document against any amount due the Administrative Agent under this Section 9.9.

Section 9.10 Administrative Agent May File Proofs of Claim. In case of the pendency of any proceeding under the Bankruptcy Code or other applicable law or any other judicial proceeding relative to Parent, the Administrative Agent (irrespective of whether the principal of any Loan shall then be due and payable as herein expressed or by declaration or otherwise and irrespective of whether the Administrative Agent shall have made any demand on Parent) shall be entitled and empowered, by intervention in such proceeding or otherwise (a) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Loans and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Lenders and the other Secured Parties (including fees, disbursements and other expenses of counsel) allowed in such judicial proceeding and (b) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same. Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Lender and other Secured Party to make such payments to the Administrative Agent. Nothing contained herein shall be deemed to authorize the Administrative Agent to authorize or consent to or accept or adopt on behalf of any Lender or other Secured Party any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any Lender or other Secured Party to authorize the Administrative Agent to vote in respect of the claim of such Person or in any such proceeding.

ARTICLE X
MISCELLANEOUS

Section 10.1 Notices.

(a) Notices Generally. Any notice or other communication herein required or permitted to be given under the Loan Documents shall be sent to such Person's address as set

forth on Schedule 10.1(a) (with copies to such other Persons as are set forth therein) or in the other relevant Loan Document, and in the case of any Lender, the address as specified on Schedule 10.1(a) or otherwise specified to the Administrative Agent in writing. Except as otherwise set forth in paragraph (b) below, each notice hereunder shall be in writing and may be personally served or sent by facsimile or United States mail or courier service and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of facsimile, or three (3) Business Days after depositing it in the United States mail with postage prepaid and properly addressed; provided that no notice to any Agent shall be effective until received by such Agent.

(b) Electronic Communications. Notices and other communications to Agents and Lenders hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites). Notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next Business Day for the recipient, and notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in this clause (b) of notification that such notice or communication is available and identifying the website address therefor.

(c) Public Lenders. Each Public Lender agrees to cause at least one (1) individual at or on behalf of such Public Lender to at all times have selected the "Private Side Information" or similar designation on the content declaration screen of the Platform in order to enable such Public Lender or its delegate, in accordance with such Public Lender's compliance procedures and applicable law, including United States Federal and state securities laws, to make reference to Borrower Materials that are not made available through the "Public Side Information" portion of the Platform and that may contain material non-public information with respect to Parent or its securities for purposes of United States Federal or state securities laws.

Section 10.2 Expenses. Parent agrees to pay, within ten (10) Business Days of receipt of written request therefor, (a) all the reasonable and documented out-of-pocket costs and expenses of the Agents and Lenders (subject to clause (b) below) incurred in connection with the initial negotiation, preparation and execution of the Loan Documents and, with respect to the Agents, any consents, amendments, waivers or other modifications thereto; (b) the reasonable and documented out-of-pocket fees, expenses and disbursements of counsel to the Lenders and counsel to the Agents (in each case limited to (x) a single firm of primary counsel for the Lenders and (y) a single firm of primary counsel for the Agents, and (x) a single firm of local counsel for the Lenders and (y) a single firm of local counsel for the Agents in each appropriate jurisdiction) in connection with the negotiation, preparation and execution of the Loan Documents and any consents, amendments, waivers or other modifications thereto and, in the case of the Agents, the administration thereof; (c) all reasonable and documented out-of-pocket costs and expenses arising in connection with or relating to creating, perfecting, recording, maintaining and preserving Liens in favor of the Collateral Agent, for the benefit of Secured Parties; (d) all reasonable and documented out-of-pocket costs and expenses in connection with

Parties; (d) all reasonable and documented out-of-pocket costs and expenses in connection with

the custody or preservation of the Collateral; and (e) after the occurrence of an Event of Default, all reasonable and documented out-of-pocket costs and expenses incurred by any Agent and the Lenders in enforcing any Obligations of or in collecting any payments due from any Loan Party hereunder or under the Loan Documents by reason of such Event of Default (including in connection with the sale, lease or license of, collection from, or other realization upon any of the Collateral or the enforcement of the Guaranty) or in connection with any refinancing or restructuring of the credit arrangements provided hereunder in the nature of a "work-out" or pursuant to any insolvency or bankruptcy cases or proceedings. On the Effective Date, Parent shall be responsible for the fees, charges and disbursements of counsel Sullivan & Cromwell LLP, Cadwalader, Wickersham & Taft LLP and Norton Rose Fulbright US LLP, subject to the limitations set forth in Section 3.1(j).

Section 10.3 Indemnity.

(a) In addition to the payment of expenses pursuant to Section 10.2, each Loan Party agrees to defend, indemnify, pay and hold harmless, each Agent and Lender and each Related Party of the foregoing (each, an "Indemnitee"), from and against any and all Indemnified Liabilities; provided that no Loan Party shall have any obligation to any Indemnitee hereunder with respect to any Indemnified Liabilities (i) to the extent such Indemnified Liabilities resulted from the gross negligence, bad faith or willful misconduct of that Indemnitee or any of its Related Parties, in each case, as determined by a final, non-appealable judgment of a court of competent jurisdiction, (ii) arising from the material breach by such Indemnitee or any of its Related Parties of its obligations under this Agreement or any other Loan Document, as determined by a final, non-appealable judgment of a court of competent jurisdiction or (iii) arising from any investigation, litigation or proceeding that does not involve an act or omission of Indemnitee or any of its Subsidiaries and that is brought by an Indemnitee against any other Indemnitee, other than claims against any Agent (or an Affiliate thereof) in its capacity or carrying out its duties as an agent or arranger with respect to the Loans. This Section 10.3 shall not apply with respect to any Taxes, other than Taxes arising from a non-Tax claim.

(b) To the extent permitted by applicable law, no Loan Party nor any Indemnitee shall assert, and each Loan Party and Indemnitee hereby waives, any claim against any Loan Party or any Indemnitee on any theory of liability, for special, indirect, consequential or punitive damages (as opposed to direct or actual damages) (whether or not the claim therefor is based on contract, tort or duty imposed by any applicable legal requirement) arising out of, in connection with, as a result of or in any way related to this Agreement or any Loan Document or any agreement or instrument contemplated hereby or thereby or referred to herein or therein, the transactions contemplated hereby or thereby, the transmission of information through the Internet, any Loan or the use of the proceeds thereof or any act or omission or event occurring in connection therewith; provided that nothing in this clause (b) shall in any way limit the indemnification obligations of the Loan Parties under clause (a) above.

Section 10.4 Set-Off. In addition to any rights now or hereafter granted under applicable law and not by way of limitation of any such rights, upon the occurrence and during the continuance of any Event of Default each Lender is hereby authorized by each Loan Party at any time or from time to time subject to the consent of the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed), and upon notice to Parent and the

Administrative Agent, to set off and to appropriate and to apply any and all deposits (general or special, including Indebtedness evidenced by certificates of deposit, whether matured or unmatured, but not including trust accounts) and any other Indebtedness at any time held or owing by such Lender to or for the credit or the account of any Loan Party against and on account of the obligations and liabilities of any Loan Party to such Lender hereunder and under the other Loan Documents. Each Lender agrees to notify Parent and the Administrative Agent promptly after any such setoff and application; provided that the failure to give such notice shall not affect the validity of such setoff and application.

Section 10.5 Amendments and Waivers.

(a) Required Lenders' Consent. Subject to the additional requirements of Sections 10.5(b) and 10.5(c) and except as set forth in Section 10.5(e), no amendment, modification, termination or waiver of any provision of the Loan Documents (other than the Agent Fee Letter), or consent to any departure by any Loan Party therefrom, shall in any event be effective without the written concurrence of the Administrative Agent and the Required Lenders; provided that the Administrative Agent may, with the consent of Parent only, amend, modify or supplement this Agreement or any other Loan Document to cure any ambiguity, omission, defect or inconsistency, so long as such amendment, modification or supplement is not objected to in writing by the Required Lenders to the Administrative Agent within five (5) Business Days following receipt of notice thereof.

(b) Affected Lenders' Consent. Without the written consent of each Lender that would be directly adversely affected thereby, no amendment, modification, termination, or consent shall be effective if the effect thereof would:

(i) extend the scheduled final maturity of any Loan or Note or principal amount outstanding, or waive, forgive, reduce or postpone any scheduled repayment (but not prepayment) of principal;

(ii) reduce the rate of interest on any Loan or any fee payable hereunder; provided that only the consent of the Required Lenders shall be necessary to amend the Default Rate in Section 2.7 or to waive any obligation of Parent to pay interest at the Default Rate;

(iii) waive or extend the time for payment of any such interest, fees or premiums;

(iv) reduce the principal amount of any Loan;

(v) amend, modify, terminate or waive any provision of Section 2.13, this Section 10.5(b), Section 10.5(c), any provision of the Security Agreement therein specified to be subject to this Section 10.5(b) or any other provision of this Agreement that expressly provides that the consent of all Lenders is required;

(vi) amend the definition of "Required Lenders" or amend Section 10.5(a) in a manner that has the same effect as an amendment to such definition or the definition of "Pro Rata Share"; provided that with the consent of the Required Lenders

definition of "Pro Rata Share"; provided that with the consent of the Required Lenders,

additional extensions of credit pursuant hereto may be included in the determination of the "Required Lenders" or "Pro Rata Share" on substantially the same basis as the Commitments and the Loans are included on the Effective Date; provided, further, that the consent of the Required Lenders shall not be required in connection with any incurrence of Term Loans added pursuant to Section 2.20;

(vii) release all or substantially all of the Collateral or all or substantially all of the Subsidiary Guarantors from the Guaranty except as expressly provided in the Loan Documents;

(viii) consent to the assignment or transfer by any Loan Party of any of its rights and obligations under any Loan Document except as expressly provided in any Loan Document; or

(ix) alter the required application of any repayments or prepayments as between Classes pursuant to Section 2.11;

provided that, for the avoidance of doubt, all Lenders shall be deemed directly affected thereby with respect to any amendment described in clauses (v), (vi), (vii) and (viii).

(c) Other Consents. No amendment, modification, termination or waiver of any provision of the Loan Documents, or consent to any departure by any Loan Party therefrom, shall:

(i) waive, forgive, reduce or postpone any prepayments without the consent of Lenders holding Effective Date Term Loan Exposure plus Second Draw Term Loan Exposure plus New Term Loan Exposure representing more than 75% of the sum of (A) the aggregate Effective Date Term Loan Exposure of all Lenders, (B) the aggregate Second Draw Term Loan Exposure of all Lenders and (C) the aggregate New Term Loan Exposure of all Lenders;

(ii) amend, modify, terminate or waive any provision of Article IX as the same applies to any Agent, or any other provision hereof as the same applies to the rights or obligations of any Agent, in each case without the consent of such Agent; or

(iii) waive, forgive or reduce the Second Draw Term Loan Commitments, other than as a result of the funding of the Second Draw Term Loans in full, or the amount of the Loans to be made on the Second Draw Date, or waive any obligation of Lenders holding Second Draw Term Loan Commitments to fund their Second Draw Term Loans, so long as the Effective Date has occurred, in each case without the consent of the Canyon Lenders, and the Canyon Lenders shall be a third party beneficiary of such funding obligation. Parent and the Lenders holding Second Draw Term Loan Commitments acknowledge and agree that the Canyon Lenders shall have the express right to enforce the obligation of the Lenders holding Second Draw Term Loan Commitments to fund their Second Draw Term Loans on the Second Draw Date.

(d) Execution of Amendments, Etc. The Administrative Agent may, but shall have no obligation to, with the concurrence of any Lender, execute amendments, modifications

have no obligation to, with the concurrence of any Lender, execute amendments, modifications,

waivers or consents on behalf of such Lender. Any waiver or consent shall be effective only in the specific instance and for the specific purpose for which it was given. No notice to or demand on any Loan Party in any case shall entitle any Loan Party to any other or further notice or demand in similar or other circumstances. Any amendment, modification, termination, waiver or consent effected in accordance with this Section 10.5 shall be binding upon each Lender at the time outstanding, each future Lender and, if signed by a Loan Party, on such Loan Party.

(e) New Term Loans. Notwithstanding anything to the contrary herein or in any other Loan Document, this Agreement and the other Loan Documents may be amended with the written consent of only the Administrative Agent and Parent to the extent necessary in order to evidence and implement any incurrence of Term Loans pursuant to Section 2.20.

(f) Affiliated Lenders.

(i) Notwithstanding anything in this Section 10.5 or the definition of "Required Lenders" to the contrary, for purposes of determining whether the Required Lenders have (x) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Loan Document or any departure by any Loan Party therefrom, or subject to Section 10.5(f)(ii), any plan of reorganization pursuant to the U.S. Bankruptcy Code, (y) otherwise acted on any matter related to any Loan Document, or (z) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document, no Affiliated Lender shall have any right to consent (or not consent), otherwise act or direct or require the Administrative Agent or any Lender to take (or refrain from taking) any such action, and all Loans held by any Affiliated Lenders shall be deemed to be not outstanding for all purposes of calculating whether the Required Lenders or all Lenders have taken any actions, except that no amendment, modification or waiver of any Loan Document shall, without the consent of the applicable Affiliated Lender, deprive any Affiliated Lender of its Pro Rata Share of any payment to which all Lenders are entitled or affect an Affiliated Lender in a manner that is disproportionate to the effect on any Lender that is not an Affiliated Lender.

(ii) Notwithstanding anything in this Agreement or the other Loan Documents to the contrary, each Affiliated Lender hereby agrees that (and each Affiliated Lender Assignment Agreement shall provide a confirmation that) if a proceeding under any bankruptcy, reorganization or insolvency case or proceeding shall be commenced by or against Parent or any other Loan Party at a time when such Lender is an Affiliated Lender, such Affiliated Lender irrevocably authorizes and empowers the Administrative Agent to vote on behalf of such Affiliated Lender with respect to the Loans held by such Affiliated Lender in a manner such that all Affiliated Lenders will be deemed to vote in the same proportion as Lenders that are not Affiliated Lenders, unless the Administrative Agent instructs such Affiliated Lender to vote, in which case such Affiliated Lender shall vote with respect to the Loans held by it in order to provide that all Affiliated Lenders will be deemed to vote in the same proportion as Lenders that are not Affiliated Lenders; provided that such Affiliated Lender shall be entitled to vote in accordance with its sole discretion (and not in accordance with the direction of the Administrative Agent) in connection with any plan of reorganization to the extent any such plan of reorganization

proposes to treat any Obligations held by such Affiliated Lender in a manner that has a disproportionate effect on such Affiliated Lender as compared to the proposed treatment of similar Obligations held by Lenders that are not Affiliated Lenders.

(g) Debt Fund Affiliates. Notwithstanding anything in this Section 10.5 or the definition of "Required Lenders" to the contrary, for purposes of determining whether the Required Lenders have (x) consented (or not consented) to any amendment, modification, waiver, consent or other action with respect to any of the terms of any Loan Document or any departure by any Loan Party therefrom, (y) otherwise acted on any matter related to any Loan Document, or (z) directed or required the Administrative Agent or any Lender to undertake any action (or refrain from taking any action) with respect to or under any Loan Document, all Loans held by Debt Fund Affiliates, in the aggregate, may not account for more than 25.0% of the Loans of consenting Lenders included in determining whether the Required Lenders have consented to any action pursuant to this Section 10.5, except that no amendment, modification or waiver of any Loan Document shall, without the consent of the applicable Debt Fund Affiliate, deprive any Debt Fund Affiliate of its Pro Rata Share of any payment to which all Lenders are entitled or affect a Debt Fund Affiliate in a manner that is disproportionate to the effect on any Lender that is not a Debt Fund Affiliate.

Section 10.6 Successors and Assigns; Participations.

(a) Generally. This Agreement shall be binding upon the parties hereto and their respective successors and assigns and shall inure to the benefit of the parties hereto and the successors and assigns of Lenders. Except as expressly permitted pursuant to Section 6.8 of this Agreement, no Loan Party's rights or obligations hereunder nor any interest therein may be assigned or delegated by any Loan Party without the prior written consent of all Lenders (and any purported assignment or delegation without such consent shall be null and void) and of the Administrative Agent (such consent not to be unreasonably withheld, conditioned or delayed). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby and, to the extent expressly contemplated hereby, Affiliates of each of the Agents and Lenders) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Right to Assign. Subject to Section 2.4(b), each Lender shall have the right at any time to sell, assign or transfer all or a portion of its rights and obligations under this Agreement, including all or a portion of its Commitment or Loans owing to it or other Obligations (provided that pro rata assignments shall not be required and each assignment shall be of a uniform, and not varying, percentage of all rights and obligations under and in respect of any applicable Loan and any related Commitments):

(i) to any Person other than Excluded Institutions meeting the criteria of clause (i) of the definition of the term "Eligible Assignee" upon the giving of notice to Parent and the Administrative Agent; and

(ii) to any Person other than Excluded Institutions meeting the criteria of clause (ii) of the definition of the term "Eligible Assignee" upon giving of notice to Parent and the Administrative Agent and, so long as no Event of Default has then

occurred and is continuing, with the prior written consent of Parent (not to be unreasonably withheld, delayed or conditioned); provided, that such consent shall be deemed to have been given if Parent has not responded within ten (10) Business Days after notice by the Administrative Agent or the respective assigning Lender; provided, further, that it shall be deemed reasonable for Parent to withhold consent if the proposed assignee has filed a claim with respect to or has otherwise initiated, or is or has been a party to or subject to, any Adverse Proceeding, controversy or dispute with respect to any Contractual Obligation with Parent or any of its Subsidiaries.

provided that each such assignment pursuant to this Section 10.6(b) shall be in an aggregate amount of not less than $1,000,000 (or such lesser amount as may be agreed to by the Administrative Agent or as shall constitute the aggregate amount of the Effective Date Term Loan, the Second Draw Term Loan or the New Term Loans of a Series of the assigning Lender) with respect to the assignment of Loans; provided, further, that the Related Funds of any individual Lender may aggregate their Loans for purposes of determining compliance with such minimum assignment amounts (it being understood and agreed that at the request of any Lender the Administrative Agent shall be permitted to disclose to such Lender the identity of each Excluded Institution); provided, further, in the case of any Assignee that, immediately prior to or upon giving effect to such assignment, is an Affiliated Lender, such assignment shall be subject to the additional limitations set forth in Section 10.6(h); provided, further, that such assignee, if it shall not be a Lender, shall deliver to the Administrative Agent an Administrative Questionnaire, a properly completed and duly executed copy of IRS Form W-9 (or other applicable tax form) and all other documentation and other information required by regulatory authorities under applicable "know your customer" and anti-money laundering rules and regulations including, without limitation, the PATRIOT Act.

(c) Assignment Agreements. Assignments made pursuant to the foregoing provision shall be effective as of the Assignment Effective Date. In connection with all assignments there shall be delivered to the Administrative Agent a duly signed Assignment Agreement and such forms, certificates or other evidence, if any, with respect to United States federal income tax withholding matters as the assignee under such Assignment Agreement may be required to deliver pursuant to Section 2.16(c), together with payment to the Administrative Agent of a registration and processing fee of $3,500 (except that no such registration and processing fee shall be payable in the case of an Eligible Assignee which is already a Lender or is an Affiliate or Related Fund of a Lender or a Person under common management with a Lender).

(d) Representations and Warranties of Assignee. Each Lender, upon execution and delivery hereof or upon succeeding to an interest in the Commitments and Loans, as the case may be, represents and warrants as of the Effective Date or as of the Assignment Effective Date that (i) it is an Eligible Assignee; (ii) it has experience and expertise in the making of or investing in commitments or loans such as the applicable Commitments or Loans, as the case may be; and (iii) it shall make or invest in, as the case may be, its Commitments or Loans for its own account in the ordinary course and without a view to distribution of such Commitments or Loans within the meaning of the Securities Act or the Exchange Act or other federal securities laws (it being understood that, subject to the provisions of this Section 10.6, the disposition of

such Commitments or Loans or any interests therein shall at all times remain within its exclusive control).

(e) Effect of Assignment. Subject to the terms and conditions of this Section 10.6, as of the Assignment Effective Date (i) the assignee thereunder shall have the rights and obligations of a "Lender" hereunder to the extent of its interest in the Loans and Commitments as reflected in the Register and shall thereafter be a party hereto and a "Lender" for all purposes hereof; (ii) the assigning Lender thereunder shall, to the extent that rights and obligations hereunder have been assigned to the assignee, relinquish its rights (other than any rights which survive the termination hereof, including under Section 10.7) and be released from its obligations hereunder (and, in the case of an assignment covering all or the remaining portion of an assigning Lender's rights and obligations hereunder, such Lender shall cease to be a party hereto on the Assignment Effective Date; provided that anything contained in any of the Loan Documents to the contrary notwithstanding, such assigning Lender shall continue to be entitled to the benefit of all indemnities hereunder as specified herein with respect to matters arising out of the prior involvement of such assigning Lender as a Lender hereunder); (iii) the Commitments shall be modified to reflect any Commitment of such assignee; and (iv) if any such assignment occurs after the issuance of any Note hereunder, the assigning Lender shall, upon the effectiveness of such assignment or as promptly thereafter as practicable, surrender its applicable Notes to the Administrative Agent for cancellation, and thereupon Parent shall issue and deliver new Notes, if so requested by the assignee and/or assigning Lender, to such assignee and/or to such assigning Lender, with appropriate insertions, to reflect the new outstanding Loans of the assignee and/or the assigning Lender.

(f) Participations.

(i) Each Lender shall have the right at any time to sell one or more participations to any Person (other than Parent, any of its Subsidiaries or any of its Affiliates and other than any Excluded Institution) in all or any part of its Commitments, Loans or in any other Obligation. No consent of the Administrative Agent or Parent shall be required in connection with any such participation.

(ii) The holder of any such participation shall not be entitled to require such Lender to take or omit to take any action hereunder except with respect to any amendment, modification or waiver that would (A) extend the final scheduled maturity of any Loan or Note in which such participant is participating, change the amount or due dates of scheduled principal repayments or prepayments or premiums or reduce the rate or extend the time of payment of interest or fees thereon (except in connection with an amendment to the Default Rate in Section 2.7 or a waiver of any obligation of Parent to pay interest at the Default Rate) or reduce the principal amount thereof, or increase the amount of the participant's participation over the amount thereof then in effect (it being understood that a waiver of any Default or Event of Default shall not constitute a change in the terms of such participation, and that an increase in any Commitment or Loan shall be permitted without the consent of any participant if the participant's participation is not increased as a result thereof), (B) consent to the assignment or transfer by any Loan Party of any of its rights and obligations under this Agreement, (C) amend the definition of "Required Lenders" (or amend Section 10.5(a) in a manner that has the same effect as an

amendment to such definition) or the definition of "Pro Rata Share" or (D) release all or substantially all of the Subsidiary Guarantors or all or substantially all of the Collateral under the Security Documents (except as expressly provided in the Loan Documents) supporting the Loans hereunder in which such participant is participating. All amounts payable by Parent or any other Loan Party hereunder shall be determined as if such Lender had not sold such participation, except that, if amounts outstanding under this Agreement are due and unpaid, or shall have been declared or shall have become due and payable upon the occurrence of an Event of Default, each participant shall be deemed to have the right of set off in respect of its participating interest in amounts owing under this Agreement to the same extent as if the amount of its participating interest were owing directly to it as a Lender under this Agreement. The rights of any participant only shall be derivative through the Lender with whom such participant participates and no participant shall have any rights under this Agreement or the other Loan Documents or any direct rights as to the other Lenders, any Agent, Parent, the other Loan Parties or otherwise in respect of the Obligations.

(iii) Parent agrees that each participant shall be entitled to the benefits of Sections 2.15 and 2.16 (subject to the limitations and requirements of Section 2.16(c); provided that any documentation required under Section 2.16(c) shall be provided solely to the Lender that sold the participation) to the same extent as if it were a Lender and had acquired its interest by assignment pursuant to clause (c) of this Section 10.6; provided that a participant shall agree to be subject to Section 2.16 as though it were a Lender and shall not be entitled to receive any greater payment under Sections 2.15 or 2.16 than the applicable Lender would have been entitled to receive with respect to the participation sold to such participant, except to the extent such entitlement to a greater payment results from a Change in Law occurring after the participant became a participant; provided, further, that nothing herein shall require any notice to Parent or any other Person in connection with the sale of any participation. To the extent permitted by law, each participant also shall be entitled to the benefits of Section 10.4 as though it were a Lender; provided that such participant agrees to be subject to Section 2.13 as though it were a Lender. Each Lender that sells a participating interest in its Commitments, Loans or in any other Obligation to a participant, shall, as an agent of Parent solely for the purposes of this Section 10.6(f), maintain a register (a "Participant Register") containing the name and principal and interest amounts of the participating interest of each participant entitled to receive payments in respect of such participating interests; provided, however, that a Lender shall have no obligation to show its Participant Register to any Loan Party except to the extent required to demonstrate to the Internal Revenue Service in connection with a tax audit that the Loans are in "registered form" for U.S. federal income tax purposes. The entries in a Participant Register shall be conclusive, absent manifest error, and such Lender shall treat each person whose name is recorded in the Participant Register as the owner of such participation for all purposes of this Agreement notwithstanding any notice to the contrary.

(g) Certain Other Assignments and Participations. In addition to any other assignment or participation permitted pursuant to this Section 10.6 and subject to the limitations set forth in Section 10.6(b), respectively, any Lender may assign and/or pledge (without the consent of Parent or the Administrative Agent) all or any portion of its Loans, the other

consent of Parent or the Administrative Agent) all or any portion of its Loans, the other

Obligations owed by or to such Lender, and its Notes, if any, to secure obligations of such Lender including any Federal Reserve Bank as collateral security pursuant to Regulation A of the Board of Governors and any operating circular issued by such Federal Reserve Bank or any central bank having jurisdiction over such Lender; provided that no Lender, as between Parent and such Lender, shall be relieved of any of its obligations hereunder as a result of any such assignment and pledge; provided, further, that in no event shall the applicable Federal Reserve Bank, pledgee or trustee, be considered to be a "Lender" or be entitled to require the assigning Lender to take or omit to take any action hereunder.

(h) Affiliated Lenders. Notwithstanding the foregoing, any Lender may at any time, sell or assign all or a portion of its rights and obligations with respect to Loans under this Agreement to a Person who is or will become, after such assignment, an Affiliated Lender, subject to the following limitations:

(i) the assigning Lender and the Affiliated Lender purchasing such Lender's Loans shall execute and deliver to the Administrative Agent an Affiliated Lender Assignment Agreement;

(ii) Affiliated Lenders will not (x) receive information provided solely to Lenders by the Administrative Agent or any Lender and will not be permitted to attend or participate in conference calls or meetings attended solely by the Lenders and the Administrative Agent, other than the right to receive notices of prepayments and other administrative notices in respect of its Loans or Commitments required to be delivered to Lenders pursuant to Article II or (y) challenge the attorney-client privilege of the Lenders or the Administrative Agent on the basis of any such Affiliated Lender's status as a Lender;

(iii) each Lender (other than any other Affiliated Lender) that assigns any Loans to an Affiliated Lender shall deliver to the Administrative Agent and Parent a customary Big Boy Letter, or other documentation as may be agreed by Parent and the Administrative Agent;

(iv) the aggregate principal amount of Loans held at any one time by Affiliated Lenders shall not exceed 25% of the original principal amount of all Loans at such time outstanding (such percentage, the "Affiliated Lender Cap"); provided that to the extent any assignment to an Affiliated Lender would result in the aggregate principal amount of all Loans held by Affiliated Lenders exceeding the Affiliated Lender Cap, the assignment of such excess amount will be void ab initio; and

(v) as a condition to each assignment pursuant to this clause (v), the Administrative Agent and Parent shall have been provided a notice in the form of Exhibit D-3 to this Agreement (a "Notice of Affiliate Assignment") in connection with each assignment to an Affiliated Lender or a Person that upon effectiveness of such assignment would constitute an Affiliated Lender pursuant to which such Affiliated Lender shall waive any right to bring any action in connection with such Loans against the Administrative Agent, in its capacity as such.

Each Affiliated Lender agrees to notify the Administrative Agent promptly (and in any event within ten (10) Business Days) if it acquires any Person who is also a Lender, and each Lender agrees to notify the Administrative Agent promptly (and in any event within ten (10) Business Days) if it becomes an Affiliated Lender. Such notice shall contain the type of information required and be delivered to the same addressee as set forth in Exhibit D-3.

Notwithstanding anything to the contrary contained herein, any Affiliated Lender that has purchased Loans pursuant to this subsection (h) may, in its sole discretion, contribute, directly or indirectly, the principal amount of such Loans, plus all accrued and unpaid interest thereon, to Parent for the purpose of cancelling and extinguishing such Loans. Upon the date of such contribution, assignment or transfer, (x) the aggregate outstanding principal amount of Loans shall reflect such cancellation and extinguishing of the Loans then held by Parent and (y) Parent shall promptly provide notice to the Administrative Agent of such contribution of such Loans, and the Administrative Agent, upon receipt of such notice, shall reflect the cancellation of the applicable Loans in the Register.

Section 10.7 Survival of Representations, Warranties and Agreements. All representations, warranties and agreements made herein shall survive the execution and delivery hereof and the making of any Loan. Notwithstanding anything herein or implied by law to the contrary, the agreements of each Loan Party set forth in Sections 2.15, 10.2, 10.3 and 10.4 and the agreements of Lenders set forth in Sections 2.13, 9.3(b) and 9.6 shall survive the payment of the Loans, and the termination hereof.

Section 10.8 No Waiver; Remedies Cumulative. No failure or delay on the part of any Agent or any Lender in the exercise of any power, right or privilege hereunder or under any other Loan Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise thereof or of any other power, right or privilege. The rights, powers and remedies given to each Agent and each Lender hereby are cumulative and shall be in addition to and independent of all rights, powers and remedies existing by virtue of any statute or rule of law or in any of the other Loan Documents. Any forbearance or failure to exercise, and any delay in exercising, any right, power or remedy hereunder shall not impair any such right, power or remedy or be construed to be a waiver thereof, nor shall it preclude the further exercise of any such right, power or remedy.

Section 10.9 Marshalling; Payments Set Aside. Neither any Agent nor any Lender shall be under any obligation to marshal any assets in favor of any Loan Party or any other Person or against or in payment of any or all of the Obligations. To the extent that any Loan Party makes a payment or payments to the Administrative Agent or Lenders (or to the Administrative Agent, on behalf of Lenders), or any Agent or Lenders enforce any security interests or exercise their rights of setoff, and such payment or payments or the proceeds of such enforcement or setoff or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside and/or required to be repaid to a trustee, receiver or any other party under any bankruptcy law, any other state or federal law, common law or any equitable cause, then, to the extent of such recovery, the obligation or part thereof originally intended to be satisfied, and all Liens, rights and remedies therefor or related thereto, shall be automatically reinstated and continued in full

force and effect as if such payment or payments had not been made or such enforcement or setoff had not occurred.

Section 10.10 Severability. In case any provision in or obligation hereunder or under any other Loan Document shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby.

Section 10.11 Obligations Several; Independent Nature of Lenders' Rights. The obligations of Lenders hereunder are several and no Lender shall be responsible for the obligations or Commitment of any other Lender hereunder. Nothing contained herein or in any other Loan Document, and no action taken by Lenders pursuant hereto or thereto, shall be deemed to constitute Lenders as a partnership, an association, a joint venture or any other kind of entity. The amounts payable at any time hereunder to each Lender shall be a separate and independent debt, and, subject to Section 9.8(b), each Lender shall be entitled to protect and enforce its rights arising out hereof and it shall not be necessary for any other Lender to be joined as an additional party in any proceeding for such purpose.

Section 10.12 Headings. Section headings herein are included herein for convenience of reference only and shall not constitute a part hereof for any other purpose or be given any substantive effect.

Section 10.13 APPLICABLE LAW. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY LAW, RULE, PROVISION OR PRINCIPLE OF CONFLICTS OF LAWS THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK TO BE APPLIED.

Section 10.14 CONSENT TO JURISDICTION. PARENT AND EACH SUBSIDIARY GUARANTOR IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR TORT OR OTHERWISE, AGAINST ANY AGENT, ANY LENDER OR ANY AFFILIATE OF ANY OF THE FOREGOING, IN ANY WAY RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN A FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND SUBJECT TO CLAUSE (E) OF THE FINAL SENTENCE OF THIS SECTION 10.14, AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL

JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW (WITHOUT DEROGATING FROM ANY PARTY'S RIGHT TO APPEAL ANY SUCH JUDGMENT). NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT ANY AGENT OR ANY LENDER MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST PARENT OR ANY OF ITS PROPERTIES IN THE COURTS OF ANY JURISDICTION. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH LOAN PARTY, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, HEREBY EXPRESSLY AND IRREVOCABLY (A) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS (OTHER THAN WITH RESPECT TO ACTIONS BY ANY AGENT IN RESPECT OF RIGHTS UNDER ANY SECURITY DOCUMENT GOVERNED BY ANY LAWS OTHER THAN THE LAWS OF THE STATE OF NEW YORK OR WITH RESPECT TO ANY COLLATERAL SUBJECT THERETO); (B) WAIVES (I) JURISDICTION AND VENUE OF COURTS IN ANY OTHER JURISDICTION IN WHICH IT MAY BE ENTITLED TO BRING SUIT BY REASON OF ITS PRESENT OR FUTURE DOMICILE OR OTHERWISE AND (II) ANY DEFENSE OF FORUM NON CONVENIENS; (C) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE LOAN PARTY AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 10.1; (D) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (C) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE LOAN PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (E) AGREES THAT THE AGENTS AND THE LENDERS RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY LOAN PARTY IN THE COURTS OF ANY OTHER JURISDICTION IN CONNECTION WITH THE EXERCISE OF ANY RIGHTS UNDER ANY SECURITY DOCUMENT OR THE ENFORCEMENT OF ANY JUDGMENT.

Section 10.15 Confidentiality; Platform; Borrower Materials.

(a) Each Agent and each Lender shall hold confidential all information regarding Parent and its Subsidiaries and their businesses and obtained by such Agent or such Lender in connection with or pursuant to the requirements of this Agreement or any other Loan Document, it being understood and agreed by Parent that, in any event, the Administrative Agent may disclose such information to the Lenders and each Agent and each Lender may make (i) disclosures of such information to employees, directors, agents, advisors, representatives, Affiliates or Related Funds of such Lender or Agent (it being understood that the Persons to whom such disclosure is made will be informed of the confidential nature of such information and to keep such information confidential), (ii) disclosures of such information in connection with the contemplated assignment, transfer or participation of any Loans or any participations therein or by any direct or indirect contractual counterparties (or the professional advisors thereto) to any swap or derivative transaction relating to Parent and its obligations (it being understood that the Persons to whom such disclosure is made will be informed of the

understood that the persons to whom such disclosure is made will be informed of the

confidential nature of such information and agree to be bound by either the provisions of this Section 10.15 or other provisions at least as restrictive as this Section 10.15), (iii) disclosure to any rating agency when required by it; provided that, prior to any disclosure, such rating agency has undertaken in writing to preserve the confidentiality of any confidential information relating to the Loan Parties received by it from any Agent or any Lender, (iv) disclosures in connection with the exercise of any remedies hereunder or under any other Loan Document, (v) disclosures required or requested by any governmental agency or representative thereof or pursuant to legal or judicial process or by any regulatory authority having or claiming authority over any Lender (provided that unless prohibited by applicable law or court order, each Agent and each Lender shall make commercially reasonable efforts to notify Parent of any such disclosure or request prior to such disclosure), (vi) disclosures with the consent of Parent and (vii) disclosures of such information to the extent such information becomes publicly available other than as a result of a breach of this Section 10.15 or becomes available to the any Agent, any Lender or any of their respective Affiliates on a non-confidential basis from a source other than Parent or any other Loan Party. In addition, each Agent and each Lender may disclose the existence of this Agreement and the information about this Agreement to market data collectors, similar service providers to the lending industry, and service providers to the Agents and the Lenders in connection with the administration and management of this Agreement and the other Loan Documents.

(b) Parent hereby acknowledges that (i) the Agents will make available to the Lenders materials and/or information provided by or on behalf of Parent hereunder (collectively, "Borrower Materials") by posting the Borrower Materials on Syndtrak or another similar electronic system (the "Platform"), and (ii) certain of the Lenders may be "public-side" Lenders (i.e., Lenders that do not wish to receive material non-public information with respect to Parent or its Subsidiaries or any of their respective securities) (each, a "Public Lender"). Parent hereby agrees that (x) by marking Borrower Materials "PUBLIC," Parent shall be deemed to have authorized the Agents and the Lenders to treat such Borrower Materials as solely containing information that is either (A) publicly available information or (B) not material (although it may be sensitive and proprietary) with respect to Parent or the Subsidiaries or any of their respective securities for purposes of United States Federal securities laws (provided, however, that such Borrower Materials shall be treated as set forth in Section 10.15(a), to the extent such Borrower Materials constitute information subject to the terms thereof), (y) all Borrower Materials marked "PUBLIC" are permitted to be made available through a portion of the Platform designated "Public Investor"; and (z) the Agents shall be entitled to treat any Borrower Materials that are not marked "PUBLIC" as being suitable only for posting on a portion of the Platform not designated "Public Investor". THE PLATFORM IS PROVIDED "AS IS" AND "AS AVAILABLE". THE AGENTS AND THEIR RELATED PARTIES DO NOT WARRANT THE ACCURACY OR COMPLETENESS OF THE BORROWER MATERIALS OR THE ADEQUACY OF THE PLATFORM, AND EXPRESSLY DISCLAIM LIABILITY FOR ERRORS IN OR OMISSIONS FROM THE BORROWER MATERIALS. NO WARRANTY OF ANY KIND, EXPRESS, IMPLIED OR STATUTORY, INCLUDING ANY WARRANTY OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT OF THIRD PARTY RIGHTS OR FREEDOM FROM VIRUSES OR OTHER CODE DEFECTS, IS MADE BY THE AGENTS OR ANY OF THEIR RELATED PARTIES IN CONNECTION WITH THE BORROWER MATERIALS OR THE PLATFORM. In no event shall the Agents or their Related Parties have any liability to any Loan Party, any

In no event shall the Agents or their Related Parties have any liability to any Loan Party, any

Lender or any other person for losses, claims, damages, liabilities or expenses of any kind (whether in tort, contract or otherwise) arising out of any Loan Party's or the Agents' transmission of Borrower Materials or notices through the Platform, any other electronic platform or electronic messaging service, or through the Internet, except to the extent such losses, claims, damages, liabilities or expenses are found in a final non-appealable judgment by a court of competent jurisdiction to have resulted from the gross negligence or willful misconduct of the Agents or any of their Related Parties.

Section 10.16 Usury Savings Clause. Notwithstanding any other provision herein, the aggregate interest rate charged with respect to any of the Obligations, including all charges or fees in connection therewith deemed in the nature of interest under applicable law, shall not exceed the Highest Lawful Rate. If the rate of interest (determined without regard to the preceding sentence) under this Agreement at any time exceeds the Highest Lawful Rate, the outstanding amount of the Loans made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect. In addition, if when the Loans made hereunder are repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Agreement had at all times been in effect, then to the extent permitted by law, Parent shall pay to the Administrative Agent an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lenders and Parent to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Loans made hereunder or be refunded to Parent.

Section 10.17 Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument. Delivery of an executed counterpart of a signature page to this Agreement by facsimile or other electronic transmission will be effective as delivery of a manually executed counterpart thereof.

Section 10.18 Effectiveness; Entire Agreement; No Third Party Beneficiaries. This Agreement shall become effective upon the occurrence of the Effective Date. This Agreement and the other Loan Documents represent the entire agreement of Parent and its Subsidiaries, the Agents and the Lenders with respect to the subject matter hereof and thereof, and there are no promises, undertakings, representations or warranties by any Agent or Lender relative to the subject matter hereof or thereof not expressly set forth or referred to herein or in the other Loan Documents. Nothing in this Agreement or in the other Loan Documents, express or implied, is intended to confer upon any Person (other than the parties hereto and thereto, their respective successors and assigns permitted hereunder and, to the extent expressly contemplated hereby, the Indemnitees) any rights, remedies, obligations or liabilities under or by reason of this Agreement or the other Loan Documents.

Section 10.19 PATRIOT Act. Each Lender and the Administrative Agent (for itself and not on behalf of any Lender) hereby notifies each Loan Party that pursuant to the requirements of the PATRIOT Act, it is required to obtain, verify and record information that identifies each Loan Party, which information includes the name and address of each Loan Party and other information that shall allow such Lender or the Administrative Agent, as applicable, to identify such Loan Party in accordance with the PATRIOT Act.

Section 10.20 Electronic Execution of Loan Documents. The words "execution," "signed," "signature," and words of like import in this Agreement, any other Loan Document and any Assignment Agreement shall be deemed to include electronic signatures or electronic records, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

Section 10.21 No Fiduciary Duty. Each Agent, each Lender and their Affiliates (collectively, solely for purposes of this Section 10.21, the "Lenders") may have economic interests that conflict with those of Parent. Parent agrees that nothing in the Loan Documents or otherwise shall be deemed to create an advisory, fiduciary or agency relationship or fiduciary or other implied duty between the Lenders and Parent, its stockholders or its affiliates. The Loan Parties acknowledge and agree that (i) the transactions contemplated by the Loan Documents are arm's-length commercial transactions between the Lenders, on the one hand, and Parent, on the other, (ii) in connection therewith and with the process leading to such transaction each of the Lenders is acting solely as a principal and not the agent or fiduciary of Parent, its management, stockholders, creditors or any other person, (iii) no Lender has assumed an advisory or fiduciary responsibility in favor of Parent with respect to the transactions contemplated hereby or the process leading thereto (irrespective of whether any Lender or any of its affiliates has advised or is currently advising Parent on other matters) or any other obligation to Parent except the obligations expressly set forth in the Loan Documents and (iv) Parent has consulted its own legal and financial advisors to the extent it deemed appropriate. Parent further acknowledges and agrees that it is responsible for making its own independent judgment with respect to such transactions and the process leading thereto. Parent agrees that it shall not claim that any Lender has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to Parent, in connection with such transaction or the process leading thereto, and agrees to waive any claims for breach of any alleged fiduciary duty by any Lender.

Section 10.22 WAIVER OF JURY TRIAL. EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER LOAN DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/PARENT RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND

CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND

STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 10.22 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER WILL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

Section 10.23 Acknowledgement and Consent to Bail-In of Affected Financial Institutions. Notwithstanding anything to the contrary in any Loan Document or in any other agreement, arrangement or understanding among any such parties, each party hereto acknowledges that any liability of any Affected Financial Institution arising under any Loan Document, to the extent such liability is unsecured, may be subject to the write-down and conversion powers of the applicable Resolution Authority and agrees and consents to, and acknowledges and agrees to be bound by:

(a) the application of any Write-Down and Conversion Powers by the applicable Resolution Authority to any such liabilities arising hereunder which may be payable to it by any party hereto that is an Affected Financial Institution; and

(b) the effects of any Bail-In Action on any such liability, including, if applicable:

(i) a reduction in full or in part or cancellation of any such liability;

(ii) a conversion of all, or a portion of, such liability into shares or other instruments of ownership in such Affected Financial Institution, its parent undertaking, or a bridge institution that may be issued to it or otherwise conferred on it, and that such shares or other instruments of ownership will be accepted by it in lieu of any rights with respect to any such liability under this Agreement or any other Loan Document; or

(iii) the variation of the terms of such liability in connection with the exercise of the write-down and conversion powers of the applicable Resolution Authority.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

NEW RESIDENTIAL INVESTMENT CORP., as Parent and the Borrower

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

MSR WAC LLC, as a Subsidiary Guarantor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ RESIDENTIAL MORTGAGE LLC, as a Subsidiary Guarantor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer and Chief Operating Officer

NRZ ADVANCES HOLDCO LLC, as a Subsidiary Guarantor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ CONSUMER 2016-1 LLC, as a Subsidiary Guarantor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ COVIUS HOLDINGS 1 LLC, as a Subsidiary Guarantor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ COVIUS HOLDINGS 2 LLC, as a Subsidiary Guarantor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ COVIUS HOLDINGS 3 LLC, as a Subsidiary Guarantor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ MBN ISSUER HOLDINGS LLC, as a Subsidiary Guarantor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ MORTGAGE HOLDINGS LLC, as a Subsidiary Guarantor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ PRO I LLC, as a Subsidiary Guarantor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ PRO II LLC, as a Subsidiary Guarantor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ PRO III LLC, as a Subsidiary Guarantor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ RA HOLDINGS LLC, as a Subsidiary Guarantor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

CORTLAND CAPITAL MARKET SERVICES LLC, as Administrative Agent and Collateral Agent

By: /s/ Emily Ergang Pappas
Name: Emily Ergang Pappas
Title: Head of Legal

CANYON FINANCE (CAYMAN) LIMITED
THE CANYON VALUE REALIZATION MASTER FUND-X, L.P.
CANYON VALUE REALIZATION FUND, L.P.
CBFVEST HOLDINGS LTD.
GRFVEST HOLDINGS LTD.
CANYON IC CREDIT MASTER FUND L.P.
CANYON DISTRESSED OPPORTUNITY MASTER FUND III, L.P.
CANYON NZ-DOF INVESTING, L.P.
CANYON DISTRESSED TX (A) LLC
CANYON DISTRESSED TX (B) LLC
CANYON-EDOF (MASTER) L.P.
EP CANYON LTD.

By: Canyon Capital Advisors LLC,
the Investment Advisor to each of the above-listed funds

By: /s/ Jonathan M. Kaplan
Name: Jonathan M. Kaplan
Title: Authorized Signatory

CANYON BLUE CREDIT INVESTMENT FUND, L.P.

By: Canyon Capital Advisors LLC,
its Co-Investment Advisor

By: /s/ Jonathan M. Kaplan
Name: Jonathan M. Kaplan
Title: Authorized Signatory

By: Canyon Partners Real Estate LLC,
its Co-Investment Advisor

By: /s/ Jonathan M. Kaplan
Name: Jonathan M. Kaplan
Title: Authorized Signatory

Exhibit 10.58

EXECUTION VERSION

PLEDGE AND SECURITY AGREEMENT

dated as of May 19, 2020

among

EACH OF THE PLEDGORS PARTY HERETO

and

CORTLAND CAPITAL MARKET SERVICES LLC,

as Collateral Agent

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This PLEDGE AND SECURITY AGREEMENT, dated as of May 19, 2020 (this "Agreement"), by and among New Residential Investment Corp., a Delaware corporation ("Parent"), each other entity identified on the signature pages hereto as executing the Agreement "as Pledgor" (the "Subsidiary Pledgors") and each Additional Pledgor (as herein defined) (together with Parent and the Subsidiary Pledgors, collectively, the "Pledgors" and each, a "Pledgor"), and Cortland Capital Market Services LLC ("Cortland"), as collateral agent for the Secured Parties (as herein defined) (in such capacity as collateral agent, together with its successors and permitted assigns, the "Collateral Agent").

RECITALS:

WHEREAS, pursuant to that certain Senior Secured Term Loan Facility Agreement, dated as of the date hereof (as it may be amended, restated, supplemented, renewed, replaced or otherwise modified from time to time, the "Credit Agreement"), by and among Parent, the Subsidiaries of Parent party thereto from time to time, the lenders party thereto from time to time (the "Lenders") and Cortland, as the Administrative Agent and the Collateral Agent, the Lenders have severally agreed to make extensions of credit to Parent upon the terms and subject to the conditions set forth therein;

WHEREAS, it is a condition precedent to the obligations of the Lenders to make their respective extensions of credit to Parent under the Credit Agreement that the Pledgors shall secure their respective obligations under the Credit Agreement and the other Loan Documents, including the payment and performance of the Obligations, pursuant to this Agreement.

NOW, THEREFORE, in consideration of the premises and the agreements, provisions and covenants herein contained, and for other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, each Pledgor and the Collateral Agent agree as follows:

Section 1. DEFINITIONS; GRANT OF SECURITY.

1.1 General Definitions. In this Agreement, the following terms shall have the following meanings:

"Additional Pledgors" shall have the meaning assigned in Section 7.2.

"Agreement" shall have the meaning set forth in the preamble.

"Collateral" shall have the meaning assigned in Section 2.1.

"Collateral Agent" shall have the meaning set forth in the preamble.

"Control" shall mean: (a) with respect to any Deposit Accounts, "control" within the meaning of Section 9-104 of the UCC, and (b) with respect to any Securities Accounts, "control" within the meaning of Section 9-106 of the UCC.

"Credit Agreement" shall have the meaning set forth in the recitals.

"Equity Interests" shall mean (i) with respect to a corporation, all shares of capital stock; (ii) with respect to a limited liability company, all limited liability company and membership interests; (iii) with respect to a partnership, all partnership interests; and (iv) with respect to a trust, all beneficial interests; in each of the foregoing cases, of any class, type or nature.

"Issuers" shall mean the entities listed in the second column of Schedule 5.2(a).

"Lender" shall have the meaning set forth in the recitals.

"Parent" shall have the meaning set forth in the preamble.

"Pledge Supplement" shall mean an agreement substantially in the form of Exhibit A attached hereto.

"Pledged Accounts" shall mean, with respect to each Pledgor, all Deposit Accounts and Securities Accounts listed opposite such Pledgor's name on Schedule 5.2(b) hereto or Schedule 5.2(b) to any Pledge Supplement.

"Pledged Equity Interests" shall mean with respect to each Pledgor, all Equity Interests issued by each Issuer listed opposite such Pledgor's name on Schedule 5.2(a) hereto or Schedule 5.2(a) to any Pledge Supplement, together with any other shares, stock certificates, options, interests or rights of any nature whatsoever in respect of the Equity Interests of such Issuer or any successor entity of such Issuer or any other Equity Interests pledged by such Pledgor for the benefit of the Secured Parties from time to time.

"Pledgors" shall have the meaning set forth in the preamble.

"Secured Obligations" shall have the meaning assigned in Section 3.1.

"Secured Parties" shall mean the Collateral Agent, the Administrative Agent, the Lenders and any other holder of any Secured Obligation.

"UCC" shall mean the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that, in the event that, by reason of mandatory provisions of law, any of the perfection or priority of the Collateral Agent's security interest in any Collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as in effect in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions related to such provisions.

1.2 Definitions; Interpretation.

(a) In this Agreement, the following capitalized terms shall have the meanings given to them in the UCC (and, if defined in more than one Article of the UCC, shall have the meaning given in Article 9 thereof): Cash Proceeds, Certificated Security, Deposit Account, Entitlement Order, Proceeds, Securities Account and Securities Intermediary.

(b) All other capitalized terms used herein (including the preamble and recitals hereto) and not otherwise defined herein shall have the meanings ascribed thereto in the Credit Agreement. The incorporation by reference of terms defined in the Credit Agreement shall survive any termination of the Credit Agreement until this agreement is terminated as provided in Section 11 hereof. Any of the terms defined herein, unless the context otherwise requires, may be used in the singular or the plural, depending on the reference. References herein to any Section, Appendix, Schedule or Exhibit shall be to a Section, an Appendix, a Schedule or an Exhibit, as the case may be, hereof unless otherwise specifically provided. The use herein of the word "include" or "including," when following any general statement, term or matter, shall not be construed to limit such statement, term or matter to the specific items or matters set forth immediately following such word or to similar items or matters, whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto, but rather shall be deemed to refer to all other items or matters that fall within the broadest possible scope of such general statement, term or matter. The words "hereof," "herein," "hereby," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. The word "will" shall be construed to have the same meaning and effect as the word "shall"; and the words "asset" and "property" shall be construed as having the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights. The terms lease and license shall include sub-lease and sub-license, as applicable. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. If any conflict or inconsistency exists between the terms of this Agreement, except with respect to Section 2 and Section 3 herein, and the terms of the Credit Agreement, the terms of the Credit Agreement shall govern. All references herein to provisions of a statute (including the UCC) shall include all successor provisions under any subsequent version or amendment thereto. Any reference in this Agreement to a Loan Document shall include all appendices, exhibits and schedules thereto, and, unless specifically stated otherwise all amendments, restatements, supplements or other modifications thereto, and as the same may be in effect at any time such reference becomes operative. The terms "Lender" and "Secured Party" include their respective successors and permitted assigns.

Section 2. GRANT OF SECURITY.

2.1 Grant of Security. Each Pledgor hereby grants to the Collateral Agent, for the benefit of the Secured Parties, a security interest in and continuing lien on all of such Pledgor's right, title and interest in, to and under all of the following property of such Pledgor, in each case whether now owned or existing or hereafter acquired or arising and wherever located (all of which being hereinafter collectively referred to as the "Collateral"):

(a) all Pledged Accounts;

(b) all Pledged Equity Interests, together with any certificates evidencing such Pledged Equity Interests;

(c) all books and records pertaining to the foregoing; and

(d) to the extent not otherwise included above, all Proceeds and products of any and all of the foregoing.

Section 3. SECURITY FOR OBLIGATIONS; PLEDGORS REMAIN LIABLE.

3.1 Security for Obligations. This Agreement secures, and the Collateral is collateral security for, the prompt and complete payment or performance in full when due, whether at stated maturity, by required prepayment, declaration, acceleration, demand or otherwise, of all present and future Obligations with respect to every Pledgor (the "Secured Obligations").

3.2 Continuing Liability Under Collateral. Notwithstanding anything herein to the contrary, (i) each Pledgor shall remain liable for all obligations under the Collateral to the same extent as if this Agreement had not been executed and nothing contained herein is intended or shall be a delegation of duties to the Collateral Agent or any Secured Party, (ii) each Pledgor shall remain liable under each of the agreements included in the Collateral to the same extent as if this Agreement had not been executed, including, without limitation, any agreements relating to Pledged Equity Interests, to perform all of the obligations undertaken by it thereunder all in accordance with and pursuant to the terms and provisions thereof and neither the Collateral Agent nor any Secured Party shall have any obligation or liability under any of such agreements by reason of or arising out of this Agreement or any other document related thereto nor shall the Collateral Agent nor any Secured Party have any obligation to make any inquiry as to the nature or sufficiency of any payment received by it or have any obligation to take any action to collect or enforce any rights under any agreement included in the Collateral, including, without limitation, any agreements relating to Pledged Equity Interests and (iii) the exercise by the Collateral Agent of any of its rights hereunder shall not release any Pledgor from any of its duties or obligations under the contracts and agreements included in the Collateral.

Section 4. CERTAIN PERFECTION REQUIREMENTS.

4.1 Delivery Requirements. With respect to any Certificated Securities constituting Collateral and in existence on the Effective Date, subject to the time period specified in Section 5.13(c) of the Credit Agreement, each relevant Pledgor shall deliver to the Collateral Agent the certificates evidencing such Certificated Securities accompanied by share transfer powers or other instruments of transfer duly indorsed to the Collateral Agent, where necessary, or in blank, in either case in a manner reasonably satisfactory to the Collateral Agent. If any Certificated Securities become part of the Collateral after the Effective Date, each relevant Pledgor shall promptly deliver (and in any event no later than 10 Business Days following the date on which such Certificated Securities become part of the Collateral) to the Collateral Agent the certificates evidencing such Certificated Securities accompanied by share transfer powers or other instruments of transfer duly indorsed to the Collateral Agent, where necessary, or in blank, in either case in a manner reasonably satisfactory to the Collateral Agent.

4.2 Control Requirements. With respect to any Pledged Accounts, subject to the time period specified in Section 5.13(a) of the Credit Agreement, each Pledgor owning any Pledged Account shall obtain control agreements in form and substance reasonably satisfactory to the Collateral Agent executed and delivered by (i) each Securities Intermediary maintaining a Pledged Account that is a Securities Account for such Pledgor, and (ii) each depository bank at which such

Pledgor maintains a Pledged Account that is a Deposit Account. With respect to any Pledged Account for which the Collateral Agent has obtained Control, in no event shall the Collateral Agent deliver any Entitlement Order or any notice or other instructions to the applicable bank or Securities Intermediary maintaining such Pledged Account directing the disposition of funds in such Pledged Account or terminating the applicable Pledgor's right to issue Entitlement Orders or so direct the disposition of funds therein until and unless an Event of Default has occurred and is continuing.

Section 5. REPRESENTATIONS AND WARRANTIES.

Each Pledgor hereby represents and warrants, as of the Effective Date, that:

5.1 Pledgor Information and Status. Schedule 5.1 sets forth under the appropriate headings: (1) the full legal name of such Pledgor, (2) the type of organization of such Pledgor, (3) the jurisdiction of organization, incorporation or formation, as applicable, of such Pledgor, and (4) the jurisdiction where the chief executive office or its sole place of business is located, in each case, as of the date hereof.

5.2 Collateral Identification.

(a) Schedule 5.2(a) sets forth under the appropriate headings all of such Pledgor's Pledged Equity Interests as of the date hereof.

(b) Schedule 5.2(b) sets forth under the appropriate headings all of such Pledgor's Pledged Accounts as of the date hereof.

5.3 Ownership of Collateral and Absence of Other Liens. Such Pledgor is the owner of the Pledged Equity Interests and Pledged Accounts as set forth on Schedule 5.2(a) and Schedule 5.2(b) and pledged by it hereunder and has rights in or the power to transfer each other item of the Collateral in which a Lien is granted by it hereunder, in each case, free and clear of any and all Liens, rights or claims of all other Persons, except for the Lien granted to the Collateral Agent pursuant to this Agreement and other Permitted Liens (other than Liens securing Indebtedness). The Pledged Equity Interests pledged hereunder by the Pledgors are listed on Schedule 5.2(a) and constitute that percentage of the issued and outstanding equity of all classes of each issuer thereof as set forth on Schedule 5.2(a). None of the Pledgors have filed or consented to the filing of any financing statement or other public notice with respect to a security interest in all or any part of the Collateral in any public office, except (i) as such as have been filed in favor of the Collateral Agent, for the ratable benefit of the Secured Parties, pursuant to this Agreement, (ii) as will be terminated in connection with the repayment of one or more existing credit facilities on the Effective Date with the proceeds of the Loans or (iii) as are permitted by the Credit Agreement.

5.4 Status of Security Interest. The security interest granted pursuant to this Agreement shall constitute a valid and continuing perfected first priority security interest in favor of the Collateral Agent in the Collateral for which perfection is governed by the UCC upon (i) in the case of all Collateral in which a security interest may be perfected by filing a financing statement under the UCC, the completion by the Collateral Agent (or its counsel) pursuant to Section 7.1(b) hereof of the filing of financing statements naming each Pledgor as "debtor" and

the Collateral Agent as "secured party" and describing the Collateral in the filing offices set forth

opposite such Pledgor's name on Schedule 5.4 hereof, and (ii) in the case of all Pledged Accounts, the Collateral Agent obtaining Control thereof. Upon the taking of such actions, such security interest shall be prior to all other Liens on the Collateral except for Permitted Liens. Notwithstanding anything to the contrary herein, no Pledgor shall be required to perfect the security interest in any Collateral by "control" except as and to the extent specified in Section 4.

Section 6. COVENANTS AND AGREEMENTS.

Each Pledgor hereby covenants and agrees that, until payment in full of all Secured Obligations (other than contingent indemnification and cost reimbursement obligations for which no claim has been made), in each case, unless the Required Lenders consent in writing:

6.1 Pledgor Information and Status. Without limiting any prohibitions or restrictions on mergers or other transactions set forth in the Credit Agreement, it shall not change such Pledgor's legal name, type of organization or jurisdiction of organization, incorporation or formation, as applicable, from that referred to on Schedule 5.1 except in accordance with Section 5.1(j)(i) of the Credit Agreement and unless it shall have delivered to the Collateral Agent such amendments to financing statements and other documents reasonably requested by the Collateral Agent to maintain the validity, perfection and priority of the security interests provided for herein.

6.2 Maintenance of Status of Security Interest. Each Pledgor shall (i) maintain the security interest created by this Agreement as a perfected security interest having at least the priority described herein and (ii) use commercially reasonable efforts necessary to defend such security interest against the claims and demands of all Persons, other than Persons holding Permitted Liens, subject to the rights of such Pledgor under the Loan Documents to dispose of the Collateral.

6.3 Pledged Equity Interests.

(a) Except as provided in the next sentence, in the event such Pledgor receives any dividends, interest or distributions on any Pledged Equity Interest upon the merger, consolidation, liquidation or dissolution of any issuer of any Pledged Equity Interest, then (i) such dividends, interest or distributions shall be included in the definition of Collateral without further action and (ii) such Pledgor shall take all steps, if any, necessary to ensure the validity, perfection, priority and, if applicable, control of the Collateral Agent over any Certificated Security to the extent constituting Collateral (including, without limitation, delivery thereof to the Collateral Agent to the extent otherwise required pursuant to this Agreement) and pending any such action such Pledgor shall be deemed to hold such dividends, interest or distributions in trust for the benefit of the Collateral Agent and shall segregate such dividends, interest and distributions from all other property of such Pledgor. Notwithstanding the foregoing, unless an Event of Default shall have occurred and be continuing and written notice has been delivered by the Collateral Agent to the Pledgors, each Pledgor shall be entitled to retain all cash dividends and distributions paid in respect of the Pledged Equity Interests;

(b) If such Pledgor shall become entitled to receive or shall receive any certificate (including, without limitation, any certificate representing a dividend or a distribution in connection with any reclassification, increase or reduction of capital or any certificate issued in

connection with any reorganization), option or rights in respect of the Equity Interests of any Issuer, whether in addition to, in substitution of, as a conversion of, or in exchange for, any shares of the Pledged Equity Interests, or otherwise in respect thereof, such Pledgor shall accept the same as the agent of the Collateral Agent, hold the same in trust for the Collateral Agent and promptly deliver the same to the Collateral Agent in the same form received, accompanied by share transfer powers or other instruments of transfer duly indorsed to the Collateral Agent, where necessary, or in blank, in either case in a manner reasonably satisfactory to the Collateral Agent, as additional collateral security for the Obligations.

(c) Voting.

(i) So long as no Event of Default shall have occurred and be continuing, except as otherwise provided under the covenants and agreements in the Credit Agreement, each Pledgor shall be entitled to exercise or refrain from exercising any and all voting and other consensual rights pertaining to the Pledged Equity Interests or any part thereof for any purpose; provided, no Pledgor shall exercise any such right if such action would have a Material Adverse Effect on the value of the Collateral or the ability of the Collateral Agent to take enforcement action over the Collateral, taken as a whole; it being understood, however, that neither the voting by such Pledgor of any Pledged Equity Interests for, or such Pledgor's consent to, the election of directors (or similar governing body) at a regularly scheduled annual or other meeting of stockholders or with respect to incidental matters at any such meeting, nor such Pledgor's consent to or approval of any action otherwise permitted under this Agreement and the Credit Agreement, shall be deemed to constitute a Material Adverse Effect on the value of the Collateral or the ability of the Collateral Agent to take enforcement action over the Collateral; and

(ii) Upon the occurrence and during the continuance of an Event of Default, upon notice by the Collateral Agent to the applicable Pledgor:

(1) all rights of each Pledgor to exercise or refrain from exercising the voting and other consensual rights which it would otherwise be entitled to exercise pursuant hereto shall cease and all such rights shall thereupon become vested in the Collateral Agent who shall thereupon have the sole right to exercise such voting and other consensual rights; and

(2) in order to permit the Collateral Agent to exercise the voting and other consensual rights which it may be entitled to exercise pursuant hereto and to receive all dividends and other distributions which it may be entitled to receive hereunder. (1) each Pledgor shall promptly execute and deliver (or cause to be executed and delivered) to the Collateral Agent all proxies, dividend payment orders and other instruments as the Collateral Agent may from time to time reasonably request and (2) each Pledgor acknowledges that the Collateral Agent may utilize the power of attorney set forth in Section 8.1; and

(d) Such Pledgor covenants and agrees that it shall, upon agreeing to any amendment to any Organizational Document electing to treat any membership interest or partnership interest constituting Collateral as a "security" under Section 8-103 of the UCC,

promptly cause the Issuer of such interest to certificate such interest and deliver to the Collateral Agent all certificates representing or evidencing such Pledged Equity Interest. No Pledgor shall grant "control" (within the meaning of such term under Article 9-106 of the UCC) over any Pledged Equity Interests to any Person other than the Collateral Agent.

6.4 Reporting. Each Pledgor will advise the Collateral Agent promptly upon becoming aware, in reasonable detail, of (i) any Lien (other than security interests created hereby or Permitted Liens) on any of the Collateral which would adversely affect the ability of the Collateral Agent to exercise any of its remedies hereunder and (ii) the occurrence of any other event which could reasonably be expected to have a Material Adverse Effect on the value of the Collateral or on the security interests created hereby, taken as a whole.

Section 7. FURTHER ASSURANCES; ADDITIONAL PLEDGORS.

7.1 Further Assurances.

(a) Each Pledgor agrees that from time to time, upon the written request of the Collateral Agent, at the sole expense of such Pledgor, that it shall promptly execute and deliver all further instruments and documents, and take all further action, that may be necessary, or that the Collateral Agent may reasonably request, for the purposes of creating and/or maintaining the validity, perfection or priority of and protecting any security interest granted hereby having at least the priority described herein or to enable the Collateral Agent to exercise and enforce its rights and remedies hereunder with respect to any Collateral, in each case to the extent provided herein. Without limiting the generality of the foregoing, each Pledgor shall:

(i) file such financing or continuation statements, or amendments thereto, and execute and deliver such other agreements, instruments, indorsements, powers of attorney or notices, as the Collateral Agent may reasonably request, in order to effect, reflect, perfect and preserve the security interests granted hereby;

(ii) in the case of any other Collateral for which "control" (within the meaning of the applicable UCC) is required for perfection under the applicable UCC, taking any actions necessary to enable the Collateral Agent to obtain or maintain "control" with respect thereto, subject to Section 4.2 above; and

(iii) furnish the Collateral Agent with such information regarding the Collateral as the Collateral Agent may reasonably request from time to time.

(b) Each Pledgor hereby authorizes the Collateral Agent (and its counsel), at any time and from time to time, to file financing or continuation statements, and amendments and supplements to any of the foregoing, in any jurisdictions and with any filing offices as the Collateral Agent may reasonably determine are necessary to perfect or otherwise protect the security interest granted to the Collateral Agent herein. Such financing statements shall describe the Collateral as set forth on Exhibit B. Each Pledgor shall furnish to the Collateral Agent from time to time statements and schedules further identifying and describing the Collateral and such other reports in connection with the Collateral as the Collateral Agent may reasonably request, all in reasonable detail. Notwithstanding the foregoing, the Collateral Agent shall not be responsible

for (i) perfecting, maintaining, monitoring, preserving or protecting the security interest or Lien

granted under this Agreement, any other Loan Document or any agreement or instrument contemplated hereby or thereby, (ii) the filing, re-filing, recording, re-recording or continuing of any document, financing statement, mortgage, assignment, notice, instrument of further assurance or other instrument in any public office at any time or times or (iii) providing, maintaining, monitoring or preserving insurance on, or the payment of taxes with respect to, any of the Collateral.

7.2 Additional Pledgors. Each Person that is required to become a party to this Agreement, or that Parent designates as a Subsidiary Guarantor, after the Effective Date pursuant to Section 5.9 of the Credit Agreement, shall become a party hereto as an additional Pledgor by executing and delivering a Pledge Supplement (each, an "Additional Pledgor"). Upon delivery of any such Pledge Supplement to the Collateral Agent, notice of which is hereby waived by the Pledgors, each Additional Pledgor shall become a Pledgor and shall be as fully a party hereto as if such Additional Pledgor were an original signatory hereto. Each Pledgor expressly agrees that its obligations arising hereunder shall not be affected or diminished by the addition or release of any other Pledgor hereunder, nor by any election of the Collateral Agent not to cause any Subsidiary of Parent that is required by the terms of the Credit Agreement to become an Additional Pledgor to in fact become an Additional Pledgor hereunder. This Agreement shall be fully effective, with respect to any Pledgor that is an original signatory hereof, at the date hereof and, with respect to any Additional Pledgor, at the date its Pledge Supplement is delivered to the Collateral Agent, in each case, regardless of whether any other Person becomes or fails to become or ceases to be a Pledgor hereunder.

Section 8. COLLATERAL AGENT APPOINTED ATTORNEY-IN-FACT.

8.1 Power of Attorney. Each Pledgor hereby irrevocably appoints the Collateral Agent (such appointment being coupled with an interest) as such Pledgor's attorney-in-fact, with full power and authority in the place and stead of such Pledgor and in the name of such Pledgor, the Collateral Agent or otherwise, from time to time in the Collateral Agent's discretion to take any action and to execute any instrument that the Collateral Agent may deem reasonably necessary to accomplish the purposes of this Agreement, including, without limitation, to do any of all of the following upon the occurrence and during the continuance of any Event of Default:

(a) to ask for, demand, collect, sue for, recover, compound, receive and give acquittance and receipts for moneys due and to become due under or in respect of any of the Collateral;

(b) to receive, indorse and collect any drafts or other instruments and documents in connection with clause (a) above;

(c) to file any claims or take any action or institute any proceedings that the Collateral Agent may deem necessary or desirable for the collection of any of the Collateral or otherwise to enforce the rights of the Collateral Agent with respect to any of the Collateral;

(d) to prepare and file any UCC financing statements against such Pledgor as debtor;

(e) to take or cause to be taken all actions necessary to perform or comply or cause performance or compliance with the terms of this Agreement, including, without limitation, access to pay or discharge taxes or Liens (other than Permitted Liens) levied or placed upon or threatened against the Collateral, the legality or validity thereof and the amounts necessary to discharge the same to be determined by the Collateral Agent in its sole discretion, any such payments made by the Collateral Agent to become obligations of such Pledgor to the Collateral Agent, due and payable immediately without demand;

(f) to execute any indorsements, assignments or other instruments of conveyance or transfer with respect to the Collateral;

(g) to direct any party liable for any payment under any of the Collateral to make payment of any and all moneys due or to become due thereunder directly to the Collateral Agent or as the Collateral Agent shall direct;

(h) to defend any suit, action or proceeding brought against such Pledgor with respect to any of the Collateral;

(i) to settle, compromise or adjust any such suit, action or proceeding and, in connection therewith, give such discharges or releases as the Collateral Agent may deem appropriate; and

(j) to sell, transfer, make any agreement with respect to or otherwise deal with any of the Collateral as fully and completely as though the Collateral Agent were the absolute owner thereof for all purposes, and to do, at the Collateral Agent's option and such Pledgor's expense, at any time or from time to time, all acts and things that the Collateral Agent deems reasonably necessary to protect, preserve or realize upon the Collateral and the Collateral Agent's security interest therein in order to effect the intent of this Agreement, all as fully and effectively as such Pledgor might do.

If any Pledgor fails to perform or comply with any of its agreements contained herein and an Event of Default has occurred and is continuing, the Collateral Agent, at its option, but without any obligation so to do, may perform or comply, or otherwise cause performance or compliance, with such agreement.

The expenses of the Collateral Agent incurred in connection with actions undertaken as provided in this Section 8.1 shall be payable by the Pledgors to the Collateral Agent in accordance with Section 10.2 of the Credit Agreement.

Each Pledgor hereby ratifies all that said attorneys shall lawfully do or cause to be done by virtue hereof. All powers, authorizations and agencies contained in this Agreement are coupled with an interest and are irrevocable until this Agreement is terminated and the security interests created hereby are released.

Section 9. REMEDIES.

9.1 Generally.

(a) If any Event of Default shall have occurred and be continuing, the Collateral Agent may exercise in respect of the Collateral, in addition to all other rights and remedies provided for herein or otherwise available to it at law or in equity, all the rights and remedies of the Collateral Agent on default under the UCC (whether or not the UCC applies to the affected Collateral) to collect, enforce or satisfy any Secured Obligations then owing, whether by acceleration or otherwise, and also may, without limitation, exercise the following rights:

(i) personally, or by agents or attorneys, immediately take possession of the Collateral or any part thereof, from such Pledgor or any other Person who then has possession of any part thereof with or without notice or process of law, and for that purpose may enter upon such Pledgor's premises where any of the Collateral is located and remove the same and use in connection with such removal any and all services, supplies, aids and other facilities of such Pledgor;

(ii) instruct the obligor or obligors on any Collateral to make any payment required by the terms of such agreement, instrument or other obligation directly to the Collateral Agent;

(iii) withdraw all moneys, securities and instruments in any Pledged Account for application to the Obligations in accordance with Sections 9.2 and 9.5;

(iv) sell, assign or otherwise liquidate any or all of the Collateral or any part thereof in accordance with this Agreement, or direct the relevant Pledgor to sell, assign or otherwise liquidate any or all of the Collateral or any part thereof, and, in each case, apply the proceeds thereof to the payment in whole or in part of the Obligations then due and owing in the order or priority specified in the Credit Agreement (or hold such proceeds in one or more Pledged Accounts pending such application);

(v) transfer all or any part of the Collateral into the Collateral Agent's name or the name of its nominee or nominees;

(vi) vote all or any part of the Collateral (whether or not transferred into the name of the Collateral Agent) and give all consents, waivers and ratifications in respect of the Collateral and otherwise act with respect thereto as though it were the outright owner thereof; and

(vii) set off any and all Collateral against any and all Obligations,

it being understood that each Pledgor's obligation so to deliver the Collateral is of the essence of this Agreement and that, accordingly, upon application to a court of equity having jurisdiction, the Collateral Agent shall be entitled to a decree requiring specific performance by such Pledgor of said obligation.

(b) The Collateral Agent or any other Secured Party may be the purchaser of any or all of the Collateral at any public or private (to the extent to the portion of the Collateral being privately sold is of a kind that is customarily sold on a recognized market or the subject of widely distributed standard price quotations) sale in accordance with the UCC and the Collateral Agent, as collateral agent for and representative of the Secured Parties, shall be entitled, for the purpose

as collateral agent for and representative of the Secured Parties, shall be entitled, for the purpose

of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale made in accordance with the UCC, to use and apply any of the Secured Obligations as a credit on account of the purchase price for any Collateral payable by the Collateral Agent at such sale. Each purchaser at any such sale shall hold the property sold absolutely free from any claim or right on the part of any Pledgor, and each Pledgor hereby waives (to the extent permitted by applicable law) all rights of redemption, stay and/or appraisal which it now has or may at any time in the future have under any rule of law or statute now existing or hereafter enacted. Each Pledgor agrees that, to the extent notice of sale shall be required by law, at least ten (10) Business Days' notice to such Pledgor of the time and place of any public sale or the time after which any private sale is to be made shall constitute reasonable notification. The Collateral Agent shall not be obligated to make any sale of Collateral regardless of notice of sale having been given. The Collateral Agent may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, with further notice, be made at the time and place to which it was so adjourned. Each Pledgor agrees that it would not be commercially unreasonable for the Collateral Agent to dispose of the Collateral or any portion thereof by using Internet sites that provide for the auction of assets of the types included in the Collateral or that have the reasonable capability of doing so, or that match buyers and sellers of assets. Each Pledgor hereby waives any claims against the Collateral Agent arising by reason of the fact that the price at which any Collateral may have been sold at such a private sale was less than the price which might have been obtained at a public sale, even if the Collateral Agent accepts the first offer received and does not offer such Collateral to more than one offeree. If the proceeds of any sale or other disposition of the Collateral are insufficient to pay all the Secured Obligations, Pledgors shall be liable for the deficiency and the reasonable and documented out-of-pocket fees of any attorneys employed by the Collateral Agent to collect such deficiency. Each Pledgor further agrees that a breach of any of the covenants contained in this Section will cause irreparable injury to the Collateral Agent, that the Collateral Agent has no adequate remedy at law in respect of such breach and, as a consequence, that each and every covenant contained in this Section shall be specifically enforceable against such Pledgor, and such Pledgor hereby waives and agrees not to assert any defenses against an action for specific performance of such covenants except for a defense that no default has occurred giving rise to the Secured Obligations becoming due and payable prior to their stated maturities. Nothing in this Section shall in any way limit the rights of the Collateral Agent hereunder.

(c) The Collateral Agent shall have no obligation to marshal any of the Collateral.

(d) In connection with any exercise of remedies with respect to any Collateral consisting of an interest in a limited liability company made pursuant to and in accordance with this Section 9.1, each Pledgor hereby approves and consents to the Collateral Agent or any transferee thereof being admitted as and becoming a member of such limited liability company. The effectiveness of any pledge herein of any such interest in a limited liability company may be subject to the Collateral Agent or such transferee, as applicable, executing and delivering a written agreement to be bound by the terms of the operating agreement of such limited liability company.

9.2 Application of Proceeds. All proceeds received by the Collateral Agent in respect of any sale of, any collection from, or other realization upon all or any part of the Collateral shall be applied in full or in part by the Collateral Agent against, the Secured Obligations in the order of priority set forth in Section 2.12(f) of the Credit Agreement, and to the extent of any excess of

of priority set forth in Section 2.12(f) of the Stock Agreement, and to the extent of any excess of

such proceeds, to the payment to or upon the order of such Pledgor or to whosoever may be lawfully entitled to receive the same or as a court of competent jurisdiction may direct.

9.3 Sales on Credit. If the Collateral Agent sells any of the Collateral upon credit, the Pledgors will be credited only with payments actually made by purchaser and received by the Collateral Agent and applied to indebtedness of the purchaser. In the event the purchaser fails to pay for the Collateral, the Collateral Agent may resell the Collateral and the Pledgors shall be credited with proceeds of the sale.

9.4 Securities Act; Etc.. Each Pledgor recognizes that, by reason of certain prohibitions contained in the Securities Act and applicable state securities laws, the Collateral Agent may be compelled, with respect to any sale of all or any part of the Pledged Equity Interests conducted without prior registration or qualification of such Pledged Equity Interests under the Securities Act and/or such state securities laws, to limit purchasers to those who will agree, among other things, to acquire the Pledged Equity Interests for their own account, for investment and not with a view to the distribution or resale thereof. Each Pledgor acknowledges that any such private sale may be at prices and on terms less favorable than those obtainable through a public sale without such restrictions (including a public offering made pursuant to a registration statement under the Securities Act) and, notwithstanding such circumstances, each Pledgor agrees that any such private sale shall not be deemed to have been made in a commercially unreasonable manner solely as a result of such limitation and that the Collateral Agent shall have no obligation to engage in public sales and no obligation to delay the sale of any Pledged Equity Interests for the period of time necessary to permit the issuer thereof to register it for a form of public sale requiring registration under the Securities Act or under applicable state securities laws, even if such issuer would, or should, agree to so register it. If the Collateral Agent determines to exercise its right to sell any or all of the Pledged Equity Interests, upon the written request of the Collateral Agent, each Pledgor shall use its commercially reasonable efforts to cause each Issuer of any Pledged Equity Interests to be sold hereunder to furnish to the Collateral Agent all information, as the Collateral Agent may reasonably request from time to time, to determine the number and nature of interest, shares or other instruments included in the Pledged Equity Interests necessary for any such sales of the applicable Pledged Equity Interests by the Collateral Agent in exempt transactions under the Securities Act and the rules and regulations of the Securities and Exchange Commission thereunder.

9.5 Cash Proceeds. Upon the occurrence and during the continuance of an Event of Default, upon notice by the Collateral Agent to the applicable Pledgor, all Cash Proceeds of any Collateral received by any Pledgor shall be held by such Pledgor in trust for the Collateral Agent, segregated from other funds of such Pledgor, and shall, promptly upon receipt by such Pledgor, be turned over to the Collateral Agent in the exact form received by such Pledgor (duly indorsed by such Pledgor to the Collateral Agent, if required). Any Cash Proceeds received by the Collateral Agent (whether from a Pledgor or otherwise) may, in the sole discretion of the Collateral Agent, (A) be held by the Collateral Agent for the ratable benefit of the Secured Parties, as collateral security for the Secured Obligations (whether matured or unmatured) and/or (B) then or at any time thereafter may be applied by the Collateral Agent against the Secured Obligations then due and owing. All Cash Proceeds while held by the Collateral Agent (or by such Pledgor in trust for the Collateral Agent) shall continue to be held as collateral security for the Obligations and shall not constitute payment thereof until applied as provided in Section 9.2 above.

not constitute payment under and applied as provided in Section 3.2 above.

Section 10. COLLATERAL AGENT.

The Collateral Agent has been appointed to obtain the security interest hereunder and other rights and benefits hereunder for the benefit of the Secured Parties. The Collateral Agent shall be obligated, and shall have the right hereunder, to make demands, to give notices, to exercise or refrain from exercising any rights, and to take or refrain from taking any action (including, without limitation, the release or substitution of Collateral), solely in accordance with this Agreement and the Credit Agreement. In furtherance of the foregoing provisions of this Section, each Secured Party, by its acceptance of the benefits hereof, agrees that it shall have no right individually to realize upon any of the Collateral hereunder, it being understood and agreed by such Secured Party that all rights and remedies hereunder may be exercised solely by the Collateral Agent for the benefit of Secured Parties in accordance with the terms of this Section. The provisions of the Credit Agreement relating to the Collateral Agent including, without limitation, the provisions relating to resignation or removal of the Collateral Agent and the powers and duties and immunities of the Collateral Agent are incorporated herein by this reference and shall survive any termination of the Credit Agreement.

Section 11. CONTINUING SECURITY INTEREST; TRANSFER OF LOANS; REINSTATEMENT.

This Agreement shall create a continuing security interest in the Collateral and shall remain in full force and effect until the payment in full of all Secured Obligations (other than contingent indemnification and cost reimbursement obligations for which no claim has been made), be binding upon each Pledgor, its successors and assigns, and inure, together with the rights and remedies of the Collateral Agent hereunder, to the benefit of the Collateral Agent and its successors, transferees and permitted assigns. Without limiting the generality of the foregoing, but subject to the terms of the Credit Agreement, any Lender may assign or otherwise transfer any Loans held by it to any other Person, and such other Person shall thereupon become vested with all the benefits in respect thereof granted to Lenders herein or otherwise. Upon the payment in full of all Secured Obligations (other than contingent indemnification and cost reimbursement obligations for which no claim has been made), this Agreement (subject to the terms hereof that expressly survive termination) and the security interest granted hereby shall automatically terminate hereunder and of record and all rights to the Collateral shall revert to Pledgors. Upon any such termination the Collateral Agent shall, at Pledgors' expense, execute and deliver to Pledgors or otherwise authorize the filing of such documents as Pledgors shall reasonably request, including financing statement amendments to evidence such termination. Upon any disposition of property permitted by the terms of the Credit Agreement, the Liens granted herein shall be automatically released with respect to such property and such property shall automatically revert to the applicable Pledgor with no further action on the part of any Person. The Collateral Agent shall, at the applicable Pledgor's expense, execute and deliver or otherwise authorize the filing of such documents as such Pledgor shall reasonably request, in form and substance reasonably satisfactory to the Collateral Agent, including financing statement amendments to evidence such release. At the request and sole expense of any Pledgor, such Pledgor shall be released from its obligations hereunder in the event that all the Equity Interests of such Pledgor shall be so sold or disposed in a transaction permitted by the terms of the Credit Agreement.

This Agreement shall remain in full force and effect and continue to be effective should any petition be filed by or against any Pledgor for liquidation or reorganization, should any Pledgor become insolvent or make an assignment for the benefit of any creditor or creditors or should a receiver or trustee be appointed for all or any significant part of such Pledgor's assets, and shall continue to be effective or be reinstated, as the case may be, if at any time payment and performance of the Secured Obligations, or any part thereof, is, pursuant to applicable law, rescinded or reduced in amount, or must otherwise be restored or returned by any obligee of the Secured Obligations, whether as a "voidable preference," "fraudulent conveyance," or otherwise, all as though such payment or performance had not been made. In the event that any payment, or any part thereof, is rescinded, reduced, restored or returned, the Secured Obligations shall be reinstated and deemed reduced only by such amount paid and not so rescinded, reduced, restored or returned.

Section 12. STANDARD OF CARE; DUTY OF COLLATERAL AGENT.

12.1 Standard of Care. The Collateral Agent's sole duty with respect to the custody, safekeeping and physical preservation of the Collateral in its possession under Section 9-207 of the UCC or otherwise shall be to deal with it in the same manner and accord it the same care as the Collateral Agent deals with similar property for its own account. Neither the Collateral Agent nor any of its directors, officers, employees or agents shall be liable for failure to demand, collect or realize upon all or any part of the Collateral or for any delay in doing so or shall be under any obligation to sell or otherwise dispose of any Collateral upon the request of any Pledgor or otherwise.

12.2 Duty of Collateral Agent. The powers conferred on the Collateral Agent hereunder are solely to protect the Collateral Agent's interest in the Collateral and shall not impose any duty upon the Collateral Agent or any other Secured Party to exercise any such powers. The Collateral Agent and the Secured Parties shall be accountable only for amounts that they actually receive as a result of the exercise of such powers, and neither they nor any of their officers, directors, employees or agents shall be responsible to any Pledgor for any act or failure to act hereunder, except for their own gross negligence, bad faith or willful misconduct (for the avoidance of doubt, no action taken or omitted by the Collateral Agent at the instruction of the Required Lenders (or such other Lenders as may be required to give such instructions under Section 10.5 of the Credit Agreement) shall be deemed to constitute gross negligence or willful misconduct for purposes of this Section 12.2).

Section 13. MISCELLANEOUS.

Any notice required or permitted to be given under this Agreement shall be given in accordance with Section 10.1 of the Credit Agreement. None of the terms or provisions of this Agreement may be waived, amended, supplemented or otherwise modified except in accordance with Section 10.5 of the Credit Agreement; provided, however, that Schedules to this Agreement may be supplemented through Pledge Supplements duly executed by the Collateral Agent and the applicable Pledgor. No failure or delay on the part of the Collateral Agent in the exercise of any power, right or privilege hereunder or under any other Loan Document shall impair such power, right or privilege or be construed to be a waiver of any default or acquiescence therein, nor shall any single or partial exercise of any such power, right or privilege preclude other or further exercise

thereof or of any other power, right or privilege. A waiver by the Collateral Agent of any right or remedy hereunder on any one occasion shall not be construed as a bar to any right or remedy which the Collateral Agent would otherwise have had on any future occasion. All rights and remedies existing under this Agreement and the other Loan Documents are cumulative to, and not exclusive of, any rights or remedies otherwise available. In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions or obligations, or of such provision or obligation in any other jurisdiction, shall not in any way be affected or impaired thereby. All covenants hereunder shall be given independent effect so that if a particular action or condition is not permitted by any of such covenants, the fact that it would be permitted by an exception to, or would otherwise be within the limitations of, another covenant shall not avoid the occurrence of a Default or an Event of Default if such action is taken or condition exists. This Agreement shall be binding upon and inure to the benefit of the Collateral Agent and the Pledgors and their respective successors and assigns. No Pledgor shall, without the prior written consent of the Collateral Agent given in accordance with the Credit Agreement, assign any right, duty or obligation hereunder. This Agreement and the other Loan Documents embody the entire agreement and understanding among the Pledgors and the Collateral Agent and supersede all prior agreements and understandings among such parties relating to the subject matter hereof and thereof. Accordingly, the Loan Documents may not be contradicted by evidence of prior, contemporaneous or subsequent oral agreements of the parties. There are no unwritten oral agreements among the parties. This Agreement may be executed in one or more counterparts and by different parties hereto in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument; signature pages may be detached from multiple separate counterparts and attached to a single counterpart so that all signature pages are physically attached to the same document. The words "execution," "signed," "signature," and words of like import in this Agreement, any Pledge Supplement or any other agreement, document or instrument delivered under any of the foregoing shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based recordkeeping system, as the case may be, to the extent and as provided for in any applicable law, including the Federal Electronic Signatures in Global and National Commerce Act, the New York State Electronic Signatures and Records Act, or any other similar state laws based on the Uniform Electronic Transactions Act.

THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY, AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF NEW YORK WITHOUT GIVING EFFECT TO ANY LAW, RULE, PROVISION OR PRINCIPLE OF CONFLICTS OF LAWS THAT WOULD CAUSE THE LAWS OF ANY JURISDICTION OTHER THAN THE STATE OF NEW YORK TO BE APPLIED.

EACH PLEDGOR IRREVOCABLY AND UNCONDITIONALLY AGREES THAT IT WILL NOT COMMENCE ANY ACTION, LITIGATION OR PROCEEDING OF ANY KIND OR DESCRIPTION, WHETHER IN LAW OR EQUITY, WHETHER IN CONTRACT OR TORT OR OTHERWISE, AGAINST THE COLLATERAL AGENT, THE ADMINISTRATIVE AGENT, ANY LENDER, ANY OTHER SECURED PARTY OR ANY AFFILIATE OF ANY OF THE FOREGOING, IN ANY WAY RELATING TO THIS

ANY AFFILIATE OF ANY OF THE FOREGOING, IN ANY WAY RELATING TO THIS

AGREEMENT OR ANY OTHER LOAN DOCUMENT OR THE TRANSACTIONS RELATING HERETO OR THERETO, IN A FORUM OTHER THAN THE COURTS OF THE STATE OF NEW YORK SITTING IN NEW YORK COUNTY, AND OF THE UNITED STATES DISTRICT COURT OF THE SOUTHERN DISTRICT OF NEW YORK, AND ANY APPELLATE COURT FROM ANY THEREOF, AND EACH OF THE PARTIES HERETO IRREVOCABLY AND UNCONDITIONALLY SUBMITS TO THE JURISDICTION OF SUCH COURTS AND SUBJECT TO CLAUSE (E) OF THIS PARAGRAPH, AGREES THAT ALL CLAIMS IN RESPECT OF ANY SUCH ACTION, LITIGATION OR PROCEEDING MAY BE HEARD AND DETERMINED IN SUCH NEW YORK STATE COURT OR, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN SUCH FEDERAL COURT. EACH OF THE PARTIES HERETO AGREES THAT A FINAL JUDGMENT IN ANY SUCH ACTION, LITIGATION OR PROCEEDING SHALL BE CONCLUSIVE AND MAY BE ENFORCED IN OTHER JURISDICTIONS BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW (WITHOUT DEROGATING FROM ANY PARTY'S RIGHT TO APPEAL ANY SUCH JUDGMENT). NOTHING IN THIS AGREEMENT OR IN ANY OTHER LOAN DOCUMENT SHALL AFFECT ANY RIGHT THAT THE COLLATERAL AGENT, THE ADMINISTRATIVE AGENT, ANY LENDER OR ANY OTHER SECURED PARTY MAY OTHERWISE HAVE TO BRING ANY ACTION OR PROCEEDING RELATING TO THIS AGREEMENT OR ANY OTHER LOAN DOCUMENT AGAINST THE BORROWER, ANY PLEDGOR OR ANY OF ITS OR THEIR RESPECTIVE PROPERTIES IN THE COURTS OF ANY JURISDICTION. BY EXECUTING AND DELIVERING THIS AGREEMENT, EACH PLEDGOR, FOR ITSELF AND IN CONNECTION WITH ITS PROPERTIES, HEREBY EXPRESSLY AND IRREVOCABLY (A) ACCEPTS GENERALLY AND UNCONDITIONALLY THE EXCLUSIVE JURISDICTION AND VENUE OF SUCH COURTS (OTHER THAN WITH RESPECT TO ACTIONS BY THE COLLATERAL AGENT, THE ADMINISTRATIVE AGENT OR ANY OTHER SECURED PARTY IN RESPECT OF RIGHTS UNDER ANY SECURITY DOCUMENT GOVERNED BY ANY LAWS OTHER THAN THE LAWS OF THE STATE OF NEW YORK OR WITH RESPECT TO ANY COLLATERAL SUBJECT THERETO); (B) WAIVES (I) JURISDICTION AND VENUE OF COURTS IN ANY OTHER JURISDICTION IN WHICH IT MAY BE ENTITLED TO BRING SUIT BY REASON OF ITS PRESENT OR FUTURE DOMICILE OR OTHERWISE AND (II) ANY DEFENSE OF FORUM NON CONVENIENS; (C) AGREES THAT SERVICE OF ALL PROCESS IN ANY SUCH PROCEEDING IN ANY SUCH COURT MAY BE MADE BY REGISTERED OR CERTIFIED MAIL, RETURN RECEIPT REQUESTED, TO THE APPLICABLE PLEDGOR AT ITS ADDRESS PROVIDED IN ACCORDANCE WITH SECTION 10.1 OF THE CREDIT AGREEMENT; (D) AGREES THAT SERVICE AS PROVIDED IN CLAUSE (C) ABOVE IS SUFFICIENT TO CONFER PERSONAL JURISDICTION OVER THE APPLICABLE LOAN PARTY IN ANY SUCH PROCEEDING IN ANY SUCH COURT, AND OTHERWISE CONSTITUTES EFFECTIVE AND BINDING SERVICE IN EVERY RESPECT; AND (E) AGREES THAT THE COLLATERAL AGENT, THE ADMINISTRATIVE AGENT, THE LENDERS AND EACH OTHER SECURED PARTY RETAIN THE RIGHT TO SERVE PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR TO BRING PROCEEDINGS AGAINST ANY PLEDGOR IN THE COURTS OF ANY OTHER JURISDICTION IN CONNECTION

WITH THE EXERCISE OF ANY RIGHTS UNDER ANY SECURITY DOCUMENT OR THE ENFORCEMENT OF ANY JUDGMENT.

EACH OF THE PARTIES HERETO HEREBY AGREES TO WAIVE ITS RESPECTIVE RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING HEREUNDER OR UNDER ANY OF THE OTHER LOAN DOCUMENTS OR ANY DEALINGS BETWEEN THEM RELATING TO THE SUBJECT MATTER OF THIS LOAN TRANSACTION OR THE LENDER/BORROWER RELATIONSHIP THAT IS BEING ESTABLISHED. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING CONTRACT CLAIMS, TORT CLAIMS, BREACH OF DUTY CLAIMS AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. EACH PARTY HERETO ACKNOWLEDGES THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS AGREEMENT, AND THAT EACH WILL CONTINUE TO RELY ON THIS WAIVER IN ITS RELATED FUTURE DEALINGS. EACH PARTY HERETO FURTHER WARRANTS AND REPRESENTS THAT IT HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL AND THAT IT KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL. THIS WAIVER IS IRREVOCABLE, MEANING THAT IT MAY NOT BE MODIFIED EITHER ORALLY OR IN WRITING (OTHER THAN BY A MUTUAL WRITTEN WAIVER SPECIFICALLY REFERRING TO THIS SECTION 13 AND EXECUTED BY EACH OF THE PARTIES HERETO), AND THIS WAIVER WILL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS HERETO OR ANY OF THE OTHER LOAN DOCUMENTS OR TO ANY OTHER DOCUMENTS OR AGREEMENTS RELATING TO THE LOANS MADE HEREUNDER. IN THE EVENT OF LITIGATION, THIS AGREEMENT MAY BE FILED AS A WRITTEN CONSENT TO A TRIAL BY THE COURT.

[Remainder of page intentionally left blank; signature pages follow]

IN WITNESS WHEREOF, each Pledgor and the Collateral Agent have caused this Agreement to be duly executed and delivered by their respective officers thereunto duly authorized as of the date first written above.

NEW RESIDENTIAL INVESTMENT CORP,
as Pledgor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

MSR WAC LLC, as Pledgor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ RESIDENTIAL MORTGAGE LLC, as
Pledgor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer and
Chief Operating Officer

NRZ ADVANCES HOLDCO LLC, as Pledgor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ CONSUMER 2016-1 LLC, as Pledgor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ COVIUS HOLDINGS 1 LLC, as Pledgor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ COVIUS HOLDINGS 2 LLC, as Pledgor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ COVIUS HOLDINGS 3 LLC, as Pledgor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ MBN ISSUER HOLDINGS LLC, as Pledgor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ MORTGAGE HOLDINGS LLC, as Pledgor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ PRO I LLC, as Pledgor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ PRO II LLC, as Pledgor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ PRO III LLC, as Pledgor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

NRZ RA HOLDINGS LLC, as Pledgor

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

CORTLAND CAPITAL MARKET
SERVICES LLC,
as Collateral Agent

By: /s/ Emily Ergang Pappas
Name: Emily Ergang Pappas
Title: Head of Legal

SCHEDULE 5.1
TO PLEDGE AND SECURITY AGREEMENT

GENERAL INFORMATION

Full Legal Name of Pledgor	Type of Organization	Jurisdiction of Organization, Incorporation or Formation (as applicable)	Chief Executive Office/Sole Place of Business
New Residential Investment Corp.	Corporation	Delaware	1345 Avenue of the Americas 45th Floor New York, NY 10105
MSR WAC LLC	Limited liability company	Delaware	1345 Avenue of the Americas 45th Floor New York, NY 10105
NRZ MBN ISSUER HOLDINGS LLC	Limited liability company	Delaware	1345 Avenue of the Americas 45th Floor New York, NY 10105
NRZ MORTGAGE HOLDINGS LLC	Limited liability company	Delaware	1345 Avenue of the Americas 45th Floor New York, NY 10105
NEW RESIDENTIAL MORTGAGE LLC	Limited liability company	Delaware	1345 Avenue of the Americas 45th Floor New York, NY 10105
NRZ Advances Holdco LLC	Limited liability company	Delaware	1345 Avenue of the Americas 45th Floor New York, NY 10105
NRZ CONSUMER 2016-1 LLC	Limited liability company	Delaware	1345 Avenue of the Americas 45th Floor New York, NY 10105
NRZ Covius Holdings 1 LLC	Limited liability company	Delaware	1345 Avenue of the Americas 45th Floor New York, NY 10105
NRZ Covius Holdings 2 LLC	Limited liability company	Delaware	1345 Avenue of the Americas 45th Floor New York, NY 10105

Schedule 5.1-1

Full Legal Name of Pledgor	Type of Organization	Jurisdiction of Organization, Incorporation or Formation (as applicable)	Chief Executive Office/Sole Place of Business
NRZ Covius Holdings 3 LLC	Limited liability company	Delaware	1345 Avenue of the Americas 45th Floor New York, NY 10105
NRZ Pro I LLC	Limited liability company	Delaware	1345 Avenue of the Americas 45th Floor New York, NY 10105
NRZ Pro II LLC	Limited liability company	Delaware	1345 Avenue of the Americas 45th Floor New York, NY 10105
NRZ Pro III LLC	Limited liability company	Delaware	1345 Avenue of the Americas 45th Floor New York, NY 10105
NRZ RA HOLDINGS LLC	Limited liability company	Delaware	1345 Avenue of the Americas 45th Floor New York, NY 10105

Schedule 5.1-2

Exhibit 10.59

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF ONLY IF SUCH SECURITIES HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT OR SUCH STATE SECURITIES LAWS.

BY HOLDING OR ACQUIRING THIS SECURITY, EACH WARRANTHOLDER SHALL BE DEEMED TO COVENANT TO THE COMPANY AS SET FORTH IN SECTION 15(J) HEREOF.

WARRANT No. S1-

to purchase

Shares of Common Stock

New Residential Investment Corp.

a Delaware Corporation

Issue Date: May 19, 2020

THIS COMMON STOCK PURCHASE WARRANT (this "*Warrant*") certifies that, for value received, or its permitted assigns (the "*Warrantholder*") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time and from time to time on or after the date hereof (the "*Issue Date*") and on or prior to 5:00 p.m., New York City time, on May 19, 2023 (the "*Expiration Time*"), to subscribe for and purchase from New Residential Investment Corp., a Delaware corporation (the "*Company*"), duly authorized, validly issued, fully paid and nonassessable shares of Common Stock (as subject to adjustment hereunder, the "*Shares*" and each a "*Share*"). The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price (as defined below). The Exercise Price and the number of Shares to be purchased upon exercise of this Warrant are subject to adjustment as hereinafter provided.

1. Definitions. Unless the context otherwise requires, when used herein the following terms shall have the meanings indicated.

"*Affiliate*" means, as applied to any person, any other person directly or indirectly controlling, controlled by, or under common control with, that person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of that person, whether through the ability to exercise voting power, by contract or otherwise.

Notwithstanding the foregoing, neither the Canyon Lenders nor any of their Affiliates shall be deemed to be an Affiliate of the Company, solely as a result of beneficially owning this Warrant or being a lender under the Loan.

"*Appraisal Procedure*" means a procedure whereby two independent appraisers, one chosen by the Company and one by the Warrantholder (or if there is more than one Warrantholder, a majority in interest of Warrantholders excluding any Warrantholder that is an Affiliate of the Company), shall mutually agree upon the determinations then the subject of appraisal. Each party shall deliver a notice to the other appointing its appraiser within 5 days after the Appraisal Procedure is invoked. If within 15 days after appointment of the two appraisers they are unable to agree upon the amount in question, a third independent appraiser shall be chosen within 5 days thereafter by the mutual consent of such first two appraisers or, if such two first appraisers fail to agree upon the appointment of a third appraiser, such appointment shall be made by the American Arbitration Association, or any organization successor thereto, from a panel of arbitrators having experience in appraisal of the subject matter to be appraised. The decision of the third appraiser so appointed and chosen shall be given within 15 days after the selection of such third appraiser. If three appraisers shall be appointed and the determination of one appraiser is disparate from the middle determination by more than twice the amount by which the other determination is disparate from the middle determination, then the determination of such appraiser shall be excluded, the remaining two determinations shall be averaged and such average shall be binding and conclusive upon the Company and the Warrantholder; otherwise, the average of all three determinations shall be binding upon the Company and the Warrantholder. The costs of conducting any Appraisal Procedure shall be borne by the Company.

"*Board of Directors*" means the board of directors of the Company, including any duly authorized committee thereof provided that each member of such duly authorized committee is an independent director.

"*business day*" means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

"*Canyon Lenders*" means Canyon Finance (Cayman) Limited, The Canyon Value Realization Master Fund-X, L.P., Canyon Value Realization Fund, L.P., CBFVEST Holdings LTD., GRFVEST Holdings LTD., Canyon IC Credit Master Fund L.P., Canyon Distressed Opportunity Master Fund III, L.P., Canyon NZ-DOF Investing, L.P., Canyon Distressed TX (A) LLC, Canyon Distressed TX (B) LLC, Canyon-EDOF (Master) L.P., Canyon Blue Credit Investment Fund L.P. and EP Canyon LTD.

"*Capital Stock*" means (A) with respect to any Person that is a corporation or company, any and all shares, interests, participations or other equivalents (however designated) of capital or capital stock of such Person and (B) with respect to any Person that is not a corporation or company, any and all partnership or other equity interests of such Person.

"*Cashless Exercise*" shall have the meaning set forth in Section 4.

"*Change of Control*" means, at any time, the occurrence of any of the following events or circumstances: (i) any "person" or "group" (within the meaning of Section 13(d) of the Exchange Act) shall become the "beneficial owner" (within the meaning of Section 13(d) of the Exchange Act), directly or indirectly, of Capital Stock of the Company representing 40% or more of the total voting power represented by the Company's then outstanding Capital Stock, (ii) the consummation of a merger or consolidation of the Company with or into any other Person, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent at least 40% of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation, or (iii) any direct or indirect sale, transfer or other disposition, in one transaction or a series of related transactions, of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole (it being agreed that the sale, transfer or other disposition by any Person of the Capital Stock of any subsidiary constitutes an indirect sale, transfer or disposition of the assets of such subsidiary).

"*Common Stock*" means the Company's common stock, $0.01 par value per share.

"*Company*" has the meaning set forth in the Preamble.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"*Exercise Price*" means $6.11 (as such price may be adjusted from time to time pursuant to Section 15 hereof).

"*Expiration Time*" has the meaning set forth in the Preamble.

"*Fair Market Value*" means, with respect to any security or other property, the fair market value of such security or other property as determined by the independent members of the Board of Directors, acting in good faith. If the Warrantholder objects in writing to the Board of Directors' calculation of Fair Market Value within 10 days of receipt of written notice thereof and the Warrantholder and the Company are unable to agree on Fair Market Value during the 10-day period following the delivery of the Warrantholder's objection, the Appraisal Procedure shall be invoked to determine Fair Market Value.

"*Governmental Authority*" means all United States and other governmental or regulatory authorities.

"*Issue Date*" has the meaning set forth in the Preamble.

"*Loan*" means a loan made pursuant to the Senior Secured Term Loan Facility Agreement, dated as of May 19, 2020, among the Company, as parent and the borrower, certain subsidiaries of the Company, as subsidiary guarantors, the lenders party thereto, and Cortland Capital Market Services LLC, as administrative agent and collateral agent, contemplating an $600,000,000 Senior Secured Term Loan Facility.

"*Market Price*" means, with respect to a particular security, on any given day, the last reported sale price, regular way, or, in case no such reported sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case on the principal national securities exchange on which the applicable securities are listed or admitted to trading, or if not listed or admitted to trading on any national securities exchange, the last quoted bid price in the over-the-counter market as reported by OTC Markets Group or similar organization. "Market Price" shall be determined without reference to after hours or extended hours trading. If such security is not listed and traded in a manner that the quotations referred to above are available for the period required hereunder, the Market Price per share of Common Stock shall be deemed to be the fair market value per share of such security as determined in good faith by the independent members of the Board of Directors in reliance upon an opinion of a nationally recognized independent investment banking firm retained by the Company for this purpose and reasonably acceptable to the Warrantholder (or if there is more than one Warrantholder, a majority in interest of Warrantholders excluding any Warrantholder that is an Affiliate of the Company). For the purposes of determining the Market Price of the Common Stock on the "trading day" preceding, on or following the occurrence of an event, (i) that trading day shall be deemed to commence immediately after the regular scheduled closing time of trading on the New York Stock Exchange or, if trading is closed at an earlier time, such earlier time and (ii) that trading day shall end at the next regular scheduled closing time, or if trading is closed at an earlier time, such earlier time (for the avoidance of doubt, and as an example, if the Market Price is to be determined as of the last trading day preceding a specified event and the closing time of trading on a particular day is 4:00 p.m. and the specified event occurs at 5:00 p.m. on that day, the Market Price would be determined by reference to such 4:00 p.m. closing price).

"*Ordinary Cash Dividends*" means a regular quarterly cash dividend on shares of Common Stock, *provided* that Ordinary Cash Dividends shall not include any cash dividends paid to the extent the aggregate per share dividends paid on shares of Common Stock in any calendar quarter, when declared, exceeds $0.10 per share, as adjusted for any stock split, stock dividend, reverse stock split, reclassification or similar transaction.

"*Ownership Limitations*" means the limitations on Transfers, Beneficial Ownership and Constructive Ownership (each as defined in the Company's charter) of shares of Capital Stock contained in the Company's charter, as amended from time to time.

"*Person*" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"*Per Share Fair Market Value*" has the meaning set forth in Section 15(B).

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"*Share*" or "*Shares*" has the meaning set forth in the Preamble.

"trading day" means (A) if the shares of Common Stock are traded on any national or regional securities exchange or association or over-the-counter market, a business day on which such relevant exchange or quotation system is scheduled to be open for business and on which the shares of Common Stock (i) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market for any period or periods aggregating one half hour or longer; and (ii) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the shares of Common Stock or (B) if the shares of Common Stock are not traded on any national or regional securities exchange or association or over-the-counter market, a business day.

"*Transfer Agent*" has the meaning set forth in Section 5(A)(i).

"*Warrantholder*" has the meaning set forth in the Preamble.

"*Warrant*" has the meaning set forth in the Preamble.

"*Warrant Share Delivery Date*" has the meaning set forth in Section 5(A)(i).

2. Number of Shares; Exercise Price. The Warrantholder is entitled, upon the terms and subject to the conditions hereinafter set forth, to acquire from the Company, in whole or in part, fully paid and nonassessable Shares, at a purchase price per Share equal to the Exercise Price. The number of Shares and the Exercise Price are subject to adjustment as provided herein, and all references to "Common Stock," "Shares" and "Exercise Price" herein shall be deemed to include any such adjustment or series of adjustments.

3. Limitation on Shares Deliverable Upon Exercise of Warrant. Notwithstanding anything to the contrary in this Warrant, no Warrantholder shall be entitled to receive Shares upon exercise of this Warrant to the extent (but only to the extent) that such receipt would result in a violation of the Ownership Limitations, unless the Company provides an exemption from the Ownership Limitations as permitted by its charter. Any purported delivery of Shares upon exercise of this Warrant will be void and have no effect to the extent (but only to the extent) that such delivery would result in violation of the Ownership Limitations, unless the Company provides an exemption from the Ownership Limitations as permitted by its charter.

4. Exercise of Warrant; Term . Subject to Section 3, the right to purchase the Shares represented by this Warrant is exercisable, in whole or in part by the Warrantholder, at any time or from time to time after September 19, 2020 but in no event later than the Expiration Time, by (A) the delivery of the Notice of Exercise annexed hereto (including by specifying the manner in which the Exercise Price is to be paid), duly completed and executed on behalf of the Warrantholder, by hand delivery, e-mail or facsimile, at the principal executive office of the Company located at 1345 Avenue of the Americas, 45th

Floor, New York, NY 10105, e-mail: nsantoro@fortress.com (or such other office or agency of the Company in the United States as the Company may designate by notice in writing to the Warrantholder at the address of the Warrantholder appearing on the books of the Company), and (B) payment of the Exercise Price for the Shares thereby purchased at the election of the Warrantholder (i) by tendering in cash, either by certified or cashier's check payable to the order of the Company or by wire transfer of immediately available funds to an account designated by the Company, at the election of the Warrantholder, (ii) so long as the Warrantholder is the holder of a Loan in a principal amount exceeding the aggregate Exercise Price for the Shares, by reduction in principal amount of the Loan held by the Warrantholder in an amount equal to the aggregate Exercise Price for the Shares, (iii) by means of a Cashless Exercise as set forth in the paragraph below, or (iv) by a combination of the foregoing.

The Warrantholder may, in its sole discretion and in lieu of payment of the Exercise Price, elect to exercise all or any part of this Warrant in a "cashless" or "net-issue" exercise (a "*Cashless Exercise*") by delivering to the Company a Notice of Exercise selecting a Cashless Exercise, as a result of which the Warrantholder shall be entitled to receive a number of shares of Common Stock calculated using the following formula:

$$X = \frac{Y * (A - B)}{A}$$

where: X = the number of shares of Common Stock to be issued to the Warrantholder

Y = the number of shares of Common Stock with respect to which the Warrant is being exercised

A = the Market Price of the Common Stock on the last trading day preceding the date of exercise of this Warrant

B = the then-current Exercise Price of the Warrant

Notwithstanding anything in this Warrant to the contrary, the Warrantholder shall not be required to physically surrender this Warrant to the Company in order to exercise all or a portion of this Warrant; provided, however, that if the Warrantholder does not exercise this Warrant in its entirety, the Warrantholder shall promptly following such partial exercise surrender this Warrant to the Company and shall be entitled to receive from the Company within a reasonable time, and in any event not exceeding three business days, a new warrant in substantially identical form for the purchase of that number of Shares equal to the difference between the number of Shares subject to this Warrant and the number of Shares as to which this Warrant was so exercised. When the Warrantholder has purchased all of the Shares available hereunder and this Warrant has been exercised in full, the Warrantholder shall surrender this Warrant to the Company for cancellation within three business days after the date the final Notice of Exercise is

delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Shares available hereunder shall have the effect of lowering the outstanding number of Shares purchasable hereunder in an amount equal to the applicable number of Shares purchased. The Warrantholder and the Company shall maintain records showing the number of Shares purchased and the date of such purchases. The Company shall inform the Warrantholder if a Notice of Exercise has not been duly completed within one business day of receipt of such notice, but shall not refuse or object to the issuance of the Shares upon receipt of, and pursuant to, a duly completed Notice of Exercise. **The Warrantholder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Shares hereunder, the number of Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

Notwithstanding anything in this Warrant to the contrary, the Warrantholder hereby acknowledges and agrees that its exercise of this Warrant for Shares is subject to the condition that the Warrantholder will have first received, to the extent applicable and required to permit the Warrantholder to exercise this Warrant for shares of Common Stock and to own such Common Stock, the receipt of any necessary approvals and authorizations of, filings and registrations with, notifications to, or expiration or termination of any applicable waiting period under, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

5. Mechanics of Exercise; Issuance of Shares; Representations, Warranties and Covenants of the Company; Listing.

(A) Mechanics of Exercise.

(i) *Delivery of Certificates and/or Book-Entry Shares Upon Exercise* . Certificates for shares purchased hereunder shall be transmitted by the Company's transfer agent (the "*Transfer Agent*") to the Warrantholder by, at the Warrantholder's request (A) crediting the account of the Warrantholder's prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system if the Company is then a participant in such system, (B) physical delivery to the address specified by the Warrantholder in the Notice of Exercise or (C) by entry on the books of the Company (or the Company's transfer agent, if any), in each case by the date that is two trading days after the later of (1) payment of the Exercise Price as set forth above or (2) the date of a Cashless Exercise, if applicable (such later date, the "*Warrant Share Delivery Date*"). The applicable Shares shall be deemed to have been issued, and the Warrantholder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the applicable exercise date or the date that is two trading days following the date of a Cashless Exercise, as applicable. Notwithstanding the foregoing, the Company shall not be required to

deliver shares through the system of The Depositary Trust Company if it determines that pursuant to Section 10 a legend is required to be included on the Shares being delivered.

(ii) *Rescission Rights*. If the Company fails to cause the Transfer Agent to transmit to the Warrantholder a certificate or the certificates representing the Shares pursuant to Section 5(A)(i) by the Warrant Share Delivery Date (other than as a result of any action or inaction of the Warrantholder's prime broker), then the Warrantholder shall have the right to rescind such exercise. Any rescission by the Warrantholder pursuant to this Section 5(A)(ii) shall not affect any other remedies available to the Warrantholder under applicable law or equity as a result of the Company's failure to timely deliver the Shares.

(iii) *Closing of Books*. The Company shall not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant pursuant to the terms hereof.

(B) Conditional Exercise. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is to be made in connection with an underwritten public offering or a sale of the Company (pursuant to a merger, sale of stock, or otherwise), such exercise may, at the election of the Warrantholder (set forth in the applicable Notice of Exercise), be conditioned upon the consummation of such transaction, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such transaction.

(C) Representations, Warranties and Covenants of the Company. The Company hereby represents, covenants and agrees, as applicable:

(iv) The Company (A) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, (B) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as currently proposed to be conducted, to issue and enter into this Warrant and to carry out the transactions contemplated thereby, and (C) except where the failure to do so, individually or in the aggregate, has not had, and could not be reasonably expected to have, a material adverse effect on the business, assets, financial condition or operations of the Company, is qualified to do business and, where applicable is in good standing, in every jurisdiction where such qualification is required.

(v) This Warrant is, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, duly authorized and validly issued. This Warrant constitutes, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, a legal, valid and binding obligation of the Company, enforceable against the Company in

accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(vi) The execution, delivery and performance by the Company of this Warrant and any Warrant issued in substitution for or replacement of this Warrant does not and will not (A) violate any material provision of applicable law or the organizational documents of the Company, (B) conflict with, result in a breach of, or constitute (with the giving of any notice, the passage of time, or both) a default under any material agreement of the Company or (C) result in or require the creation or imposition of any lien upon any assets of the Company.

(vii) The Company covenants that, during the period this Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Shares upon the exercise of any purchase rights represented by this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Shares upon the exercise of the purchase rights under this Warrant. The Company shall take all such action as may be necessary or appropriate to assure that such Shares may be issued as provided herein without violation of any applicable law or regulation or any preemptive or similar rights of any equity holder of the Company. The Company shall (A) procure, at its sole expense, the listing of the Shares issuable upon exercise of this Warrant, subject to issuance or notice of issuance, on all principal stock exchanges on which the Common Stock is then listed or traded and (B) maintain such listings of such Shares at all times after issuance.

(viii) The Company covenants that all Shares which may be issued upon the exercise of the purchase rights represented by this Warrant shall, upon exercise of the purchase rights represented by this Warrant and payment for such Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges (other than liens or charges created by the Warrantholder, except as otherwise provided herein, income and franchise taxes incurred in connection with the exercise of the Warrant or taxes in respect of any transfer occurring contemporaneously therewith)

(ix) Except and to the extent as waived or consented to by the Warrantholder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization,

transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Warrantholder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company shall (A) not increase the par value of any Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (B) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Shares upon the exercise of this Warrant, (C) use its reasonable best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant, and (D) use reasonable best efforts to ensure that the Shares may be issued without violation of any applicable law or regulation or of any requirement of any securities exchange on which the Shares are listed or traded. Notwithstanding the foregoing, nothing in this paragraph shall prevent the Company from repurchasing or otherwise buying back shares of its Common Stock.

(x) Before taking any action which would result in an adjustment in the number of Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock at the Exercise Price as so adjusted.

6. No Fractional Shares. No fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a Share that the Warrantholder would otherwise be entitled to purchase upon such exercise, the Company shall, at the Company's election, either (A) pay to such Warrantholder an amount in cash (by delivery of a certified or official bank check or by wire transfer of immediately available funds) equal to the product of (1) such fraction multiplied by (2) the Market Price of one Share on the exercise date or the date of Cashless Exercise, as applicable, or (B) round up to the next whole share.

7. No Rights as Stockholders; Transfer Books. This Warrant does not entitle the Warrantholder to any voting rights or other rights as a stockholder of the Company prior to the date of exercise hereof. The Company will at no time close its transfer books against transfer of this Warrant in any manner which interferes with the timely exercise of this Warrant.

8. Charges, Taxes and Expenses. Issuance of certificates for Shares to the Warrantholder upon the exercise of this Warrant shall be made without charge to the Warrantholder for

any issue or transfer tax or other incidental expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company.

9. Accredited Investor. The Warrantholder acknowledges that the Warrant and the Shares issuable upon exercise have not been registered under the Securities Act or under any state securities laws. The Warrantholder expressly warrants that it (i) is acquiring the Warrant (and any Shares issuable upon exercise) pursuant to an exemption from registration under the Securities Act solely for investment with no present intention to distribute the Warrant (or any Shares issuable upon exercise) to any person in violation of the Securities Act or any applicable U.S. state securities laws, (ii) will not sell or otherwise dispose of any of the Warrant (or any Shares issuable upon exercise), except in compliance with the registration requirements or exemption provisions of the Securities Act and any applicable U.S. state securities laws, (iii) has such knowledge and experience in financial and business matters and in investments of this type that it is capable of evaluating the merits and risks and of making an informed investment decision, and has conducted a review of the business and affairs of the Company that it considers sufficient and reasonable, (iv) is able to bear the economic risk and at the present time is able to afford a complete loss of such investment and (v) is an "accredited investor" (as that term is defined by Rule 501 under the Securities Act).

10. Transfer/Assignment.

(A) Subject to compliance with clauses (B) and (C) of this Section 10, this Warrant and all rights hereunder are transferable, in whole or in part, upon the books of the Company by the registered holder hereof in person or by duly authorized attorney, and a new warrant shall be made and delivered by the Company, of the same tenor and date as this Warrant but registered in the name of one or more transferees, upon surrender of this Warrant, duly endorsed, to the office or agency of the Company described in Section 4. All expenses (other than stock transfer taxes) and other charges payable in connection with the preparation, execution and delivery of the new warrants pursuant to this Section 10 shall be paid by the Company.

(B) This Warrant shall not be transferrable prior to September 19, 2020; *provided* that prior to such date, (i) if the Warrantholder sells, assigns, transfers or grants a participation in all or a portion of its rights and obligations under a Loan, the Warrantholder shall be permitted to transfer a pro rata portion of this Warrant together with such sale, assignment, transfer or participation, (ii) the Warrantholder shall be permitted to transfer all or a portion of this Warrant to any of its Affiliates, any initial lender under the Loan or any Affiliate of such an initial lender.

(C) If and for so long as the Warrant has not been registered under the Securities Act, this Warrant Certificate shall contain a legend as set forth in the first paragraph of the legend set forth on the first page of this Warrant. A similar legend will be

included on any Shares issuable upon exercise of the Warrant under similar circumstances.

11. Exchange and Registry of Warrant. This Warrant is exchangeable, upon the surrender hereof by the Warrantholder to the Company, for a new warrant or warrants of like tenor and representing the right to purchase the same aggregate number of Shares. The Company shall maintain a registry showing the name and address of the Warrantholder as the registered holder of this Warrant. This Warrant may be surrendered for exchange or exercise, in accordance with its terms, at the office of the Company, and the Company shall be entitled to rely in all respects, prior to written notice to the contrary, upon such registry.

12. Loss, Theft, Destruction or Mutilation of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in the case of any such loss, theft or destruction, upon receipt of a bond, indemnity or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, the Company shall make and deliver, in lieu of such lost, stolen, destroyed or mutilated Warrant, a new Warrant of like tenor and representing the right to purchase the same aggregate number of Shares as provided for in such lost, stolen, destroyed or mutilated Warrant.

13. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a business day, then such action may be taken or such right may be exercised on the next succeeding day that is a business day.

14. Rule 144 Information. The Company covenants that it shall use its reasonable best efforts to timely file all reports and other documents required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations promulgated by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the request of any Warrantholder, make publicly available such information as necessary to permit sales pursuant to Rule 144 or Regulation S under the Securities Act), and it shall use reasonable best efforts to take such further action as any Warrantholder may reasonably request, in each case to the extent required from time to time to enable such holder to, if permitted by the terms of this Warrant, sell this Warrant without registration under the Securities Act within the limitation of the exemptions provided by (A) Rule 144 or Regulation S under the Securities Act, as such rules may be amended from time to time, or (B) any successor rule or regulation hereafter adopted by the SEC. Upon the written request of any Warrantholder, the Company will deliver to such Warrantholder a written statement that it has complied with such requirements.

15. Adjustments and Other Rights. Subject in each case to Section 15(J), the Exercise Price and the number of Shares issuable upon exercise of this Warrant shall be subject to adjustment from time to time as follows; *provided*, that if more than one subsection of this Section 15 is applicable to a single event, the subsection shall be applied that

produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of this Section 15 so as to result in duplication:

(A) Stock Splits, Subdivisions, Reclassifications or Combinations. If the Company shall (i) declare and pay a dividend or otherwise make a distribution on its Common Stock payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivide (by any stock split, recapitalization or otherwise) the outstanding shares of Common Stock into a greater number of shares, or (iii) combine (including by way of reverse stock split) or reclassify the outstanding shares of Common Stock into a smaller number of shares, the number of Shares issuable upon exercise of this Warrant at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be proportionately adjusted so that the Warrantholder after such date shall be entitled to purchase the number of shares of Common Stock which such holder would have owned or been entitled to receive in respect of the shares of Common Stock subject to this Warrant after such date had this Warrant been exercised immediately prior to such date. In such event, the Exercise Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted to the number obtained by dividing (x) the product of (1) the number of Shares issuable upon the exercise of this Warrant before such adjustment and (2) the Exercise Price in effect immediately prior to the record or effective date, as the case may be, for the dividend, distribution, subdivision, combination or reclassification giving rise to this adjustment by (y) the new number of Shares issuable upon exercise of the Warrant determined pursuant to the immediately preceding sentence. Any adjustment made pursuant to this Section 15(A) shall, in the case of a dividend or distribution, become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and, in the case of a subdivision, combination or re-classification, become effective immediately after the effective date of such subdivision, combination or re-classification.

(B) Other Distributions. In case the Company shall fix a record date for the making of a distribution to any or all holders of shares of its Common Stock of securities, evidences of indebtedness, assets, cash, rights, warrants or other property (excluding Ordinary Cash Dividends and other dividends or distributions referred to in Section 15(A)), in each such case, the Exercise Price in effect prior to such record date shall be reduced immediately thereafter to the price determined by multiplying the Exercise Price in effect immediately prior to the reduction by the quotient of (x) the Market Price of the Common Stock on the last trading day preceding the first date on which the Common Stock trades regular way on the principal national securities exchange on which the Common Stock is listed or admitted to trading without the right to receive such distribution, minus the amount of cash and/or the Fair Market Value of the securities, evidences of

indebtedness, assets, rights, warrants or other property to be so distributed in respect of one share of Common Stock (such amount and/or Fair Market Value, the "*Per Share Fair Market Value*") divided by (y) such Market Price on such date specified in clause (x); such adjustment shall be made successively whenever such a record date is fixed. In such event, the number of Shares issuable upon the exercise of this Warrant shall be increased to the number obtained by dividing (x) the product of (1) the number of Shares issuable upon the exercise of this Warrant before such adjustment, and (2) the Exercise Price in effect immediately prior to the distribution giving rise to this adjustment by (y) the new Exercise Price determined in accordance with the immediately preceding sentence. In the case of adjustment for a cash dividend that is, or is coincident with, a regular quarterly cash dividend, the Per Share Fair Market Value would be reduced by the per share amount of the portion of the cash dividend that would constitute an Ordinary Cash Dividend. In the event that such distribution is not so made, the Exercise Price and the number of Shares issuable upon exercise of this Warrant then in effect shall be readjusted, effective as of the date when the Board of Directors determines not to distribute such shares, evidences of indebtedness, assets, rights, cash, warrants or other property, as the case may be, to the Exercise Price that would then be in effect and the number of Shares that would then be issuable upon exercise of this Warrant if such record date had not been fixed.

(C) Adjustments Upon Reorganization, Reclassification, Consolidation or Merger. In the event of any (i) capital reorganization of the Company, (ii) reclassification of the stock of the Company (other than a reclassification of Common Stock referred to in Section 15(A)), (iii) consolidation or merger of the Company with or into another Person, (iv) sale of all or substantially all of the Company's assets to another Person or (v) other similar transaction (other than any such transaction covered by Section 15(A)) in each case which entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities or property with respect to or in exchange for Common Stock, each Warrant shall, immediately after such reorganization, reclassification, consolidation, merger, sale or similar transaction, remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Shares then exercisable under this Warrant, be exercisable for the kind and number of shares of stock or other securities or property of the Company or of the successor Person resulting from such transaction to which the Warrantholder would have been entitled upon such reorganization, reclassification, consolidation, merger, sale or similar transaction if the Warrantholder had exercised this Warrant in full immediately prior to the time of such reorganization, reclassification, consolidation, merger, sale or similar transaction and acquired the applicable number of Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant); and, in such case, appropriate adjustment shall be made with respect to the Warrantholder's rights under this Warrant to insure that the provisions of this Section 15 shall thereafter be applicable, as nearly as possible, to this Warrant in relation to any shares of stock,

securities or property thereafter acquirable upon exercise of this Warrant. In determining the kind and amount of stock, securities or property receivable upon exercise of this Warrant following the consummation of such transaction, if the holders of Common Stock have the right to elect the kind or amount of consideration receivable upon consummation of such transaction, then the Warrantholder shall have the right to make a similar election (including, without limitation, being subject to similar proration constraints) upon exercise of this Warrant with respect to the number of shares of stock or other securities or property which the Warrantholder will receive upon exercise of this Warrant. The provisions of this Section 15(A) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or similar transactions. Prior to the consummation thereof, the successor Person (if other than the Company) resulting from such reorganization, reclassification, consolidation, merger, sale or similar transaction, shall assume, by written instrument substantially similar in form and substance to this Warrant, the obligation to deliver to the Warrantholder such shares of stock, securities or property which, in accordance with the foregoing provisions, such Warrantholder shall be entitled to receive upon exercise of this Warrant.

(D) Rounding of Calculations; Minimum Adjustments. All calculations under this Section 15 shall be made to the nearest one-tenth (1/10th) of a cent or to the nearest one-hundredth (1/100th) of a share, as the case may be. Any provision of this Section 15 to the contrary notwithstanding, no adjustment in the Exercise Price or the number of Shares into which this Warrant is exercisable shall be made if the amount of such adjustment would be less than $0.01 or one-tenth (1/10th) of a share of Common Stock, but any such amount shall be carried forward and an adjustment with respect thereto shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate $0.01 or 1/10th of a share of Common Stock, or more.

(E) Timing of Issuance of Additional Common Stock Upon Certain Adjustments. In any case in which the provisions of this Section 15 shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event (i) issuing to the Warrantholder of this Warrant exercised after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of Common Stock issuable upon such exercise before giving effect to such adjustment and (ii) paying to such Warrantholder any amount of cash in lieu of a fractional share of Common Stock; *provided*, *however*, that the Company upon request shall deliver to such Warrantholder a due bill or other appropriate instrument evidencing such Warrantholder's right to receive such additional shares, and such cash, upon the occurrence of the event requiring such adjustment.

(F) Notice to the Warrantholder.

(i) *Adjustment to Exercise Price*. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 15, the Company shall promptly compute such adjustment, in good faith, in accordance with the terms of this Warrant, and prepare a certificate setting forth such adjustment, including (A) a statement of the adjusted Exercise Price and adjusted number or type of Shares or other securities or property issuable upon exercise of this Warrant (as applicable), (B) in the case of adjustment pursuant to Section 15(B), a statement of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock, and setting forth a brief statement of the facts requiring such adjustment and certifying the calculation thereof, and (C) the amount of withholding taxes, if any, that would be payable by the Company as a result of the adjustment, as described in Section 15(J). The Company shall deliver a copy of each such certificate to the Warrantholder as promptly as reasonably practicable following any adjustment of the Exercise Price, but in any event not later than ten business days thereafter.

(ii) *Notice to Allow Exercise by the Warrantholder*. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special or nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock or rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights of the Company, (D) the Company enters into or becomes bound by an agreement in connection with a Change of Control or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case (other than in the case of an Ordinary Cash Dividend), the Company shall cause to be mailed to the Warrantholder at the address appearing in the Company's records, at least 10 business days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distribution, redemption, rights or warrants are to be determined or (y) the date on which such Change of Control is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such Change of Control; *provided* that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. The Warrantholder shall remain entitled to exercise this

Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein. Except as otherwise prohibited by applicable laws, to the extent that any notice provided pursuant to this Section 15(F)(ii) contains material, non-public information regarding the Company, the Company shall disclose such information regarding the Company in a Current Report on Form 8-K and file such Current Report on Form 8-K with the SEC no later than the business day following the date such notice is delivered to the Warrantholder.

(G) Statement Regarding Adjustments. Whenever the Exercise Price or the number of Shares into which this Warrant is exercisable shall be adjusted as provided in Section 15, the Company shall forthwith file at the principal office of the Company a statement showing in reasonable detail the facts requiring such adjustment and the Exercise Price that shall be in effect and the number of Shares into which this Warrant shall be exercisable after such adjustment, and the Company shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each Warrantholder at the address appearing in the Company's records.

(H) Proceedings Prior to Any Action Requiring Adjustment. As a condition precedent to the taking of any action which would require an adjustment pursuant to this Section 15, the Company shall take any action which may be necessary, including obtaining regulatory, New York Stock Exchange or other applicable national securities exchange or stockholder approvals or exemptions, in order that the Company may thereafter validly and legally issue as fully paid and nonassessable all shares of Common Stock that the Warrantholder is entitled to receive upon exercise of this Warrant pursuant to this Section 15.

(I) Adjustment Rules. Any adjustments pursuant to this Section 15 shall be made successively whenever an event referred to herein shall occur. If an adjustment in Exercise Price made hereunder would reduce the Exercise Price to an amount below par value of the Common Stock, then such adjustment in Exercise Price made hereunder shall reduce the Exercise Price to the par value of the Common Stock.

(J) Withholding. The Warrantholder shall indemnify the Company for any liability for withholding tax on any constructive dividends for tax purposes resulting from an adjustment described in this Section 15. Promptly following Warrantholder's receipt of the notice described in Section 15(F)(i), Warrantholder shall remit to the Company the full amount of such withholding taxes (or evidence reasonably satisfactory to the Company that a reduced amount of withholding shall apply, together with payment of the reduced amount). Notwithstanding anything to the contrary in this Section 15, the adjustments to the Exercise Price described in this Section 15 shall not be effective until the Warrantholder has complied with its

obligations pursuant to the preceding sentence. This Section 15(J) shall survive the Exercise, lapse, transfer, or termination of this Warrant. If there is more than one permissible method to determine the amount of the constructive dividend for tax purposes, the Company will select the method that results in the lowest constructive dividend amount.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State. Each of the parties hereto agrees (a) to submit to the exclusive personal jurisdiction of the State or Federal courts in the Borough of Manhattan, The City of New York, (b) that exclusive jurisdiction and venue shall lie in the State or Federal courts in the State of New York, and (c) that notice may be served upon such party at the address and in the manner set forth for such party in Section 19 hereof. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS WARRANT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

17. Binding Effect. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall be binding upon and inure to the benefit of the parties hereto and their respective the successors and permitted assigns. The provisions of this Warrant are intended to be for the benefit of the Warrantholder from time to time of this Warrant and shall be enforceable by the Warrantholder or holder of Shares.

18. Amendments. This Warrant may be amended and the observance of any term of this Warrant may be waived only with the written consent of the Company and the Warrantholder.

19. Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other shall be in writing and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of facsimile, or three business days after depositing it in the United States mail with postage prepaid and properly addressed.

Notices and other communications hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites). Notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause of notification that such notice or communication is available and identifying the website address therefor

All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice.

If to the Company, to:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, NY 10105
Attention: Nicola Santoro, Jr.
Telephone: (212) 798-6100
Email: nsantoro@fortress.com

With a copy to:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: Jonathan Grebinar
Phone: 212-798-6100
Email: jgrebinar@fortress.com

With a copy to:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: Varun Wadhawan
Phone: 212-798-6100
Email: vwadhawan@fortress.com

With a copy to (which copy alone shall not constitute notice):

Skadden, Arps, Slate, Meagher and Flom LLP
One Manhattan West
New York, New York 10001
Attn: Michael Zeidel and Michael Schwartz
Telephone: (212) 735 3259 and (212) 735 3694
Fax: (917) 777 3259 and (917) 777 3694
Email: Michael.Zeidel@skadden.com and Michael.Schwartz@skadden.com

If to the Warrantholder, to the address (or facsimile number or e-mail) set forth on Schedule A hereto;

With a copy (which shall not constitute notice) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004-2498
Attn: Ari B. Blaut
E-mail: blauta@sullcrom.com

18. Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Warrantholder to exercise this Warrant to purchase Shares, and no enumeration herein of the rights or privileges of the Warrantholder, shall give rise to any liability of the Warrantholder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

19. Remedies. The Warrantholder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

20. Severability. Any provision of this Warrant held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

21. Entire Agreement. This Warrant and the forms attached hereto, contain the entire agreement between the parties with respect to the subject matter hereof and supersede all prior and contemporaneous arrangements or undertakings with respect thereto.

[*Remainder of page intentionally left blank*]

[Form of Notice of Exercise**]**

Date: _____

TO: New Residential Investment Corp.

RE: Election to Purchase Common Stock

The undersigned, pursuant to the provisions set forth in the attached Warrant, hereby agrees to subscribe for and purchase the number of shares of the Common Stock set forth below covered by such Warrant. The undersigned, in accordance with Section 2 of the Warrant, hereby agrees to pay the aggregate Exercise Price for such shares of Common Stock by means of the manner specified below. In the event that the undersigned desires to use a combination of such methods, such intent should be described in detail below. A new warrant evidencing the remaining shares of Common Stock covered by such Warrant, but not yet subscribed for and purchased, if any, should be issued in the name set forth below.

Number of Shares of Common Stock: _____

Aggregate Exercise Price: _____

Cash Payment:☐ _____

Reduction in Principal Amount of Loan:☐ _____

Cashless Exercise:☐ _____

Conditional Exercise:☐ _____

Method of Delivery: ☐ Book Entry

☐ Certificated

☐ Electronic

If to Prime Broker please provide Prime Broker account information:

_____

Warrantholder:
By:
Name:
Title:

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by a duly authorized officer.

Dated: May 19, 2020

New Residential Investment Corp.

By: _

Name:
Title:

[Signature Page to Warrant]

Schedule A

Canyon Partners, LLC
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attn: Legal
Email: jkaplan@canyonpartners.com

Exhibit 10.60

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF ONLY IF SUCH SECURITIES HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT OR SUCH STATE SECURITIES LAWS.

BY HOLDING OR ACQUIRING THIS SECURITY, EACH WARRANTHOLDER SHALL BE DEEMED TO COVENANT TO THE COMPANY AS SET FORTH IN SECTION 15(J) HEREOF.

WARRANT No. S2-

to purchase

Shares of Common Stock

New Residential Investment Corp.

a Delaware Corporation

Issue Date: May 19, 2020

THIS COMMON STOCK PURCHASE WARRANT (this "*Warrant*") certifies that, for value received, or its permitted assigns (the "*Warrantholder*") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time and from time to time on or after the date hereof (the "*Issue Date*") and on or prior to 5:00 p.m., New York City time, on May 19, 2023 (the "*Expiration Time*"), to subscribe for and purchase from New Residential Investment Corp., a Delaware corporation (the "*Company*"), duly authorized, validly issued, fully paid and nonassessable shares of Common Stock (as subject to adjustment hereunder, the "*Shares*" and each a "*Share*"). The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price (as defined below). The Exercise Price and the number of Shares to be purchased upon exercise of this Warrant are subject to adjustment as hereinafter provided.

1. Definitions. Unless the context otherwise requires, when used herein the following terms shall have the meanings indicated.

"*Affiliate*" means, as applied to any person, any other person directly or indirectly controlling, controlled by, or under common control with, that person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of that person, whether through the ability to exercise voting power, by contract or otherwise.

Notwithstanding the foregoing, neither the Canyon Lenders nor any of their Affiliates shall be deemed to be an Affiliate of the Company, solely as a result of beneficially owning this Warrant or being a lender under the Loan.

"*Appraisal Procedure*" means a procedure whereby two independent appraisers, one chosen by the Company and one by the Warrantholder (or if there is more than one Warrantholder, a majority in interest of Warrantholders excluding any Warrantholder that is an Affiliate of the Company), shall mutually agree upon the determinations then the subject of appraisal. Each party shall deliver a notice to the other appointing its appraiser within 5 days after the Appraisal Procedure is invoked. If within 15 days after appointment of the two appraisers they are unable to agree upon the amount in question, a third independent appraiser shall be chosen within 5 days thereafter by the mutual consent of such first two appraisers or, if such two first appraisers fail to agree upon the appointment of a third appraiser, such appointment shall be made by the American Arbitration Association, or any organization successor thereto, from a panel of arbitrators having experience in appraisal of the subject matter to be appraised. The decision of the third appraiser so appointed and chosen shall be given within 15 days after the selection of such third appraiser. If three appraisers shall be appointed and the determination of one appraiser is disparate from the middle determination by more than twice the amount by which the other determination is disparate from the middle determination, then the determination of such appraiser shall be excluded, the remaining two determinations shall be averaged and such average shall be binding and conclusive upon the Company and the Warrantholder; otherwise, the average of all three determinations shall be binding upon the Company and the Warrantholder. The costs of conducting any Appraisal Procedure shall be borne by the Company.

"*Board of Directors*" means the board of directors of the Company, including any duly authorized committee thereof provided that each member of such duly authorized committee is an independent director.

"*business day*" means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

"*Canyon Lenders*" means Canyon Finance (Cayman) Limited, The Canyon Value Realization Master Fund-X, L.P., Canyon Value Realization Fund, L.P., CBFVEST Holdings LTD., GRFVEST Holdings LTD., Canyon IC Credit Master Fund L.P., Canyon Distressed Opportunity Master Fund III, L.P., Canyon NZ-DOF Investing, L.P., Canyon Distressed TX (A) LLC, Canyon Distressed TX (B) LLC, Canyon-EDOF (Master) L.P., Canyon Blue Credit Investment Fund L.P. and EP Canyon LTD.

"*Capital Stock*" means (A) with respect to any Person that is a corporation or company, any and all shares, interests, participations or other equivalents (however designated) of capital or capital stock of such Person and (B) with respect to any Person that is not a corporation or company, any and all partnership or other equity interests of such Person.

"*Cashless Exercise*" shall have the meaning set forth in Section 4.

"*Change of Control*" means, at any time, the occurrence of any of the following events or circumstances: (i) any "person" or "group" (within the meaning of Section 13(d) of the Exchange Act) shall become the "beneficial owner" (within the meaning of Section 13(d) of the Exchange Act), directly or indirectly, of Capital Stock of the Company representing 40% or more of the total voting power represented by the Company's then outstanding Capital Stock, (ii) the consummation of a merger or consolidation of the Company with or into any other Person, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent at least 40% of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation, or (iii) any direct or indirect sale, transfer or other disposition, in one transaction or a series of related transactions, of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole (it being agreed that the sale, transfer or other disposition by any Person of the Capital Stock of any subsidiary constitutes an indirect sale, transfer or disposition of the assets of such subsidiary).

"*Common Stock*" means the Company's common stock, $0.01 par value per share.

"*Company*" has the meaning set forth in the Preamble.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"*Exercise Price*" means $7.94 (as such price may be adjusted from time to time pursuant to Section 15 hereof).

"*Expiration Time*" has the meaning set forth in the Preamble.

"*Fair Market Value*" means, with respect to any security or other property, the fair market value of such security or other property as determined by the independent members of the Board of Directors, acting in good faith. If the Warrantholder objects in writing to the Board of Directors' calculation of Fair Market Value within 10 days of receipt of written notice thereof and the Warrantholder and the Company are unable to agree on Fair Market Value during the 10-day period following the delivery of the Warrantholder's objection, the Appraisal Procedure shall be invoked to determine Fair Market Value.

"*Governmental Authority*" means all United States and other governmental or regulatory authorities.

"*Issue Date*" has the meaning set forth in the Preamble.

"*Loan*" means a loan made pursuant to the Senior Secured Term Loan Facility Agreement, dated as of May 19, 2020, among the Company, as parent and the borrower, certain subsidiaries of the Company, as subsidiary guarantors, the lenders party thereto, and Cortland Capital Market Services LLC, as administrative agent and collateral agent, contemplating an $600,000,000 Senior Secured Term Loan Facility.

"*Market Price*" means, with respect to a particular security, on any given day, the last reported sale price, regular way, or, in case no such reported sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case on the principal national securities exchange on which the applicable securities are listed or admitted to trading, or if not listed or admitted to trading on any national securities exchange, the last quoted bid price in the over-the-counter market as reported by OTC Markets Group or similar organization. "Market Price" shall be determined without reference to after hours or extended hours trading. If such security is not listed and traded in a manner that the quotations referred to above are available for the period required hereunder, the Market Price per share of Common Stock shall be deemed to be the fair market value per share of such security as determined in good faith by the independent members of the Board of Directors in reliance upon an opinion of a nationally recognized independent investment banking firm retained by the Company for this purpose and reasonably acceptable to the Warrantholder (or if there is more than one Warrantholder, a majority in interest of Warrantholders excluding any Warrantholder that is an Affiliate of the Company). For the purposes of determining the Market Price of the Common Stock on the "trading day" preceding, on or following the occurrence of an event, (i) that trading day shall be deemed to commence immediately after the regular scheduled closing time of trading on the New York Stock Exchange or, if trading is closed at an earlier time, such earlier time and (ii) that trading day shall end at the next regular scheduled closing time, or if trading is closed at an earlier time, such earlier time (for the avoidance of doubt, and as an example, if the Market Price is to be determined as of the last trading day preceding a specified event and the closing time of trading on a particular day is 4:00 p.m. and the specified event occurs at 5:00 p.m. on that day, the Market Price would be determined by reference to such 4:00 p.m. closing price).

"*Ordinary Cash Dividends*" means a regular quarterly cash dividend on shares of Common Stock, *provided* that Ordinary Cash Dividends shall not include any cash dividends paid to the extent the aggregate per share dividends paid on shares of Common Stock in any calendar quarter, when declared, exceeds $0.10 per share, as adjusted for any stock split, stock dividend, reverse stock split, reclassification or similar transaction.

"*Ownership Limitations*" means the limitations on Transfers, Beneficial Ownership and Constructive Ownership (each as defined in the Company's charter) of shares of Capital Stock contained in the Company's charter, as amended from time to time.

"*Person*" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"*Per Share Fair Market Value*" has the meaning set forth in Section 15(B).

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"*Share*" or "*Shares*" has the meaning set forth in the Preamble.

"trading day" means (A) if the shares of Common Stock are traded on any national or regional securities exchange or association or over-the-counter market, a business day on which such relevant exchange or quotation system is scheduled to be open for business and on which the shares of Common Stock (i) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market for any period or periods aggregating one half hour or longer; and (ii) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the shares of Common Stock or (B) if the shares of Common Stock are not traded on any national or regional securities exchange or association or over-the-counter market, a business day.

"*Transfer Agent*" has the meaning set forth in Section 5(A)(i).

"*Warrantholder*" has the meaning set forth in the Preamble.

"*Warrant*" has the meaning set forth in the Preamble.

"*Warrant Share Delivery Date*" has the meaning set forth in Section 5(A)(i).

2. Number of Shares; Exercise Price. The Warrantholder is entitled, upon the terms and subject to the conditions hereinafter set forth, to acquire from the Company, in whole or in part, fully paid and nonassessable Shares, at a purchase price per Share equal to the Exercise Price. The number of Shares and the Exercise Price are subject to adjustment as provided herein, and all references to "Common Stock," "Shares" and "Exercise Price" herein shall be deemed to include any such adjustment or series of adjustments.

3. Limitation on Shares Deliverable Upon Exercise of Warrant. Notwithstanding anything to the contrary in this Warrant, no Warrantholder shall be entitled to receive Shares upon exercise of this Warrant to the extent (but only to the extent) that such receipt would result in a violation of the Ownership Limitations, unless the Company provides an exemption from the Ownership Limitations as permitted by its charter. Any purported delivery of Shares upon exercise of this Warrant will be void and have no effect to the extent (but only to the extent) that such delivery would result in violation of the Ownership Limitations, unless the Company provides an exemption from the Ownership Limitations as permitted by its charter.

4. Exercise of Warrant; Term . Subject to Section 3, the right to purchase the Shares represented by this Warrant is exercisable, in whole or in part by the Warrantholder, at any time or from time to time after September 19, 2020 but in no event later than the Expiration Time, by (A) the delivery of the Notice of Exercise annexed hereto (including by specifying the manner in which the Exercise Price is to be paid), duly completed and executed on behalf of the Warrantholder, by hand delivery, e-mail or facsimile, at the principal executive office of the Company located at 1345 Avenue of the Americas, 45th

Floor, New York, NY 10105, e-mail: nsantoro@fortress.com (or such other office or agency of the Company in the United States as the Company may designate by notice in writing to the Warrantholder at the address of the Warrantholder appearing on the books of the Company), and (B) payment of the Exercise Price for the Shares thereby purchased at the election of the Warrantholder (i) by tendering in cash, either by certified or cashier's check payable to the order of the Company or by wire transfer of immediately available funds to an account designated by the Company, at the election of the Warrantholder, (ii) so long as the Warrantholder is the holder of a Loan in a principal amount exceeding the aggregate Exercise Price for the Shares, by reduction in principal amount of the Loan held by the Warrantholder in an amount equal to the aggregate Exercise Price for the Shares, (iii) by means of a Cashless Exercise as set forth in the paragraph below, or (iv) by a combination of the foregoing.

The Warrantholder may, in its sole discretion and in lieu of payment of the Exercise Price, elect to exercise all or any part of this Warrant in a "cashless" or "net-issue" exercise (a "*Cashless Exercise*") by delivering to the Company a Notice of Exercise selecting a Cashless Exercise, as a result of which the Warrantholder shall be entitled to receive a number of shares of Common Stock calculated using the following formula:

$$X = \frac{Y * (A - B)}{A}$$

where: X = the number of shares of Common Stock to be issued to the Warrantholder

Y = the number of shares of Common Stock with respect to which the Warrant is being exercised

A = the Market Price of the Common Stock on the last trading day preceding the date of exercise of this Warrant

B = the then-current Exercise Price of the Warrant

Notwithstanding anything in this Warrant to the contrary, the Warrantholder shall not be required to physically surrender this Warrant to the Company in order to exercise all or a portion of this Warrant; provided, however, that if the Warrantholder does not exercise this Warrant in its entirety, the Warrantholder shall promptly following such partial exercise surrender this Warrant to the Company and shall be entitled to receive from the Company within a reasonable time, and in any event not exceeding three business days, a new warrant in substantially identical form for the purchase of that number of Shares equal to the difference between the number of Shares subject to this Warrant and the number of Shares as to which this Warrant was so exercised. When the Warrantholder has purchased all of the Shares available hereunder and this Warrant has been exercised in full, the Warrantholder shall surrender this Warrant to the Company for cancellation within three business days after the date the final Notice of Exercise is

delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Shares available hereunder shall have the effect of lowering the outstanding number of Shares purchasable hereunder in an amount equal to the applicable number of Shares purchased. The Warrantholder and the Company shall maintain records showing the number of Shares purchased and the date of such purchases. The Company shall inform the Warrantholder if a Notice of Exercise has not been duly completed within one business day of receipt of such notice, but shall not refuse or object to the issuance of the Shares upon receipt of, and pursuant to, a duly completed Notice of Exercise. **The Warrantholder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Shares hereunder, the number of Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

Notwithstanding anything in this Warrant to the contrary, the Warrantholder hereby acknowledges and agrees that its exercise of this Warrant for Shares is subject to the condition that the Warrantholder will have first received, to the extent applicable and required to permit the Warrantholder to exercise this Warrant for shares of Common Stock and to own such Common Stock, the receipt of any necessary approvals and authorizations of, filings and registrations with, notifications to, or expiration or termination of any applicable waiting period under, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

5. Mechanics of Exercise; Issuance of Shares; Representations, Warranties and Covenants of the Company; Listing.

(A) Mechanics of Exercise.

(i) *Delivery of Certificates and/or Book-Entry Shares Upon Exercise* . Certificates for shares purchased hereunder shall be transmitted by the Company's transfer agent (the "*Transfer Agent*") to the Warrantholder by, at the Warrantholder's request (A) crediting the account of the Warrantholder's prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system if the Company is then a participant in such system, (B) physical delivery to the address specified by the Warrantholder in the Notice of Exercise or (C) by entry on the books of the Company (or the Company's transfer agent, if any), in each case by the date that is two trading days after the later of (1) payment of the Exercise Price as set forth above or (2) the date of a Cashless Exercise, if applicable (such later date, the "*Warrant Share Delivery Date*"). The applicable Shares shall be deemed to have been issued, and the Warrantholder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the applicable exercise date or the date that is two trading days following the date of a Cashless Exercise, as applicable. Notwithstanding the foregoing, the Company shall not be required to

deliver shares through the system of The Depositary Trust Company if it determines that pursuant to Section 10 a legend is required to be included on the Shares being delivered.

(ii) *Rescission Rights*. If the Company fails to cause the Transfer Agent to transmit to the Warrantholder a certificate or the certificates representing the Shares pursuant to Section 5(A)(i) by the Warrant Share Delivery Date (other than as a result of any action or inaction of the Warrantholder's prime broker), then the Warrantholder shall have the right to rescind such exercise. Any rescission by the Warrantholder pursuant to this Section 5(A)(ii) shall not affect any other remedies available to the Warrantholder under applicable law or equity as a result of the Company's failure to timely deliver the Shares.

(iii) *Closing of Books*. The Company shall not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant pursuant to the terms hereof.

(B) Conditional Exercise. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is to be made in connection with an underwritten public offering or a sale of the Company (pursuant to a merger, sale of stock, or otherwise), such exercise may, at the election of the Warrantholder (set forth in the applicable Notice of Exercise), be conditioned upon the consummation of such transaction, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such transaction.

(C) Representations, Warranties and Covenants of the Company. The Company hereby represents, covenants and agrees, as applicable:

(iv) The Company (A) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, (B) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as currently proposed to be conducted, to issue and enter into this Warrant and to carry out the transactions contemplated thereby, and (C) except where the failure to do so, individually or in the aggregate, has not had, and could not be reasonably expected to have, a material adverse effect on the business, assets, financial condition or operations of the Company, is qualified to do business and, where applicable is in good standing, in every jurisdiction where such qualification is required.

(v) This Warrant is, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, duly authorized and validly issued. This Warrant constitutes, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, a legal, valid and binding obligation of the Company, enforceable against the Company in

accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(vi) The execution, delivery and performance by the Company of this Warrant and any Warrant issued in substitution for or replacement of this Warrant does not and will not (A) violate any material provision of applicable law or the organizational documents of the Company, (B) conflict with, result in a breach of, or constitute (with the giving of any notice, the passage of time, or both) a default under any material agreement of the Company or (C) result in or require the creation or imposition of any lien upon any assets of the Company.

(vii) The Company covenants that, during the period this Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Shares upon the exercise of any purchase rights represented by this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Shares upon the exercise of the purchase rights under this Warrant. The Company shall take all such action as may be necessary or appropriate to assure that such Shares may be issued as provided herein without violation of any applicable law or regulation or any preemptive or similar rights of any equity holder of the Company. The Company shall (A) procure, at its sole expense, the listing of the Shares issuable upon exercise of this Warrant, subject to issuance or notice of issuance, on all principal stock exchanges on which the Common Stock is then listed or traded and (B) maintain such listings of such Shares at all times after issuance.

(viii) The Company covenants that all Shares which may be issued upon the exercise of the purchase rights represented by this Warrant shall, upon exercise of the purchase rights represented by this Warrant and payment for such Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges (other than liens or charges created by the Warrantholder, except as otherwise provided herein, income and franchise taxes incurred in connection with the exercise of the Warrant or taxes in respect of any transfer occurring contemporaneously therewith)

(ix) Except and to the extent as waived or consented to by the Warrantholder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization,

transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Warrantholder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company shall (A) not increase the par value of any Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (B) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Shares upon the exercise of this Warrant, (C) use its reasonable best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant, and (D) use reasonable best efforts to ensure that the Shares may be issued without violation of any applicable law or regulation or of any requirement of any securities exchange on which the Shares are listed or traded. Notwithstanding the foregoing, nothing in this paragraph shall prevent the Company from repurchasing or otherwise buying back shares of its Common Stock.

(x) Before taking any action which would result in an adjustment in the number of Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock at the Exercise Price as so adjusted.

6. No Fractional Shares. No fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a Share that the Warrantholder would otherwise be entitled to purchase upon such exercise, the Company shall, at the Company's election, either (A) pay to such Warrantholder an amount in cash (by delivery of a certified or official bank check or by wire transfer of immediately available funds) equal to the product of (1) such fraction multiplied by (2) the Market Price of one Share on the exercise date or the date of Cashless Exercise, as applicable, or (B) round up to the next whole share.

7. No Rights as Stockholders; Transfer Books. This Warrant does not entitle the Warrantholder to any voting rights or other rights as a stockholder of the Company prior to the date of exercise hereof. The Company will at no time close its transfer books against transfer of this Warrant in any manner which interferes with the timely exercise of this Warrant.

8. Charges, Taxes and Expenses. Issuance of certificates for Shares to the Warrantholder upon the exercise of this Warrant shall be made without charge to the Warrantholder for

any issue or transfer tax or other incidental expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company.

9. Accredited Investor. The Warrantholder acknowledges that the Warrant and the Shares issuable upon exercise have not been registered under the Securities Act or under any state securities laws. The Warrantholder expressly warrants that it (i) is acquiring the Warrant (and any Shares issuable upon exercise) pursuant to an exemption from registration under the Securities Act solely for investment with no present intention to distribute the Warrant (or any Shares issuable upon exercise) to any person in violation of the Securities Act or any applicable U.S. state securities laws, (ii) will not sell or otherwise dispose of any of the Warrant (or any Shares issuable upon exercise), except in compliance with the registration requirements or exemption provisions of the Securities Act and any applicable U.S. state securities laws, (iii) has such knowledge and experience in financial and business matters and in investments of this type that it is capable of evaluating the merits and risks and of making an informed investment decision, and has conducted a review of the business and affairs of the Company that it considers sufficient and reasonable, (iv) is able to bear the economic risk and at the present time is able to afford a complete loss of such investment and (v) is an "accredited investor" (as that term is defined by Rule 501 under the Securities Act).

10. Transfer/Assignment.

(A) Subject to compliance with clauses (B) and (C) of this Section 10, this Warrant and all rights hereunder are transferable, in whole or in part, upon the books of the Company by the registered holder hereof in person or by duly authorized attorney, and a new warrant shall be made and delivered by the Company, of the same tenor and date as this Warrant but registered in the name of one or more transferees, upon surrender of this Warrant, duly endorsed, to the office or agency of the Company described in Section 4. All expenses (other than stock transfer taxes) and other charges payable in connection with the preparation, execution and delivery of the new warrants pursuant to this Section 10 shall be paid by the Company.

(B) This Warrant shall not be transferrable prior to September 19, 2020; *provided* that prior to such date, (i) if the Warrantholder sells, assigns, transfers or grants a participation in all or a portion of its rights and obligations under a Loan, the Warrantholder shall be permitted to transfer a pro rata portion of this Warrant together with such sale, assignment, transfer or participation, (ii) the Warrantholder shall be permitted to transfer all or a portion of this Warrant to any of its Affiliates, any initial lender under the Loan or any Affiliate of such an initial lender.

(C) If and for so long as the Warrant has not been registered under the Securities Act, this Warrant Certificate shall contain a legend as set forth in the first paragraph of the legend set forth on the first page of this Warrant. A similar legend will be

included on any Shares issuable upon exercise of the Warrant under similar circumstances.

11. Exchange and Registry of Warrant. This Warrant is exchangeable, upon the surrender hereof by the Warrantholder to the Company, for a new warrant or warrants of like tenor and representing the right to purchase the same aggregate number of Shares. The Company shall maintain a registry showing the name and address of the Warrantholder as the registered holder of this Warrant. This Warrant may be surrendered for exchange or exercise, in accordance with its terms, at the office of the Company, and the Company shall be entitled to rely in all respects, prior to written notice to the contrary, upon such registry.

12. Loss, Theft, Destruction or Mutilation of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in the case of any such loss, theft or destruction, upon receipt of a bond, indemnity or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, the Company shall make and deliver, in lieu of such lost, stolen, destroyed or mutilated Warrant, a new Warrant of like tenor and representing the right to purchase the same aggregate number of Shares as provided for in such lost, stolen, destroyed or mutilated Warrant.

13. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a business day, then such action may be taken or such right may be exercised on the next succeeding day that is a business day.

14. Rule 144 Information. The Company covenants that it shall use its reasonable best efforts to timely file all reports and other documents required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations promulgated by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the request of any Warrantholder, make publicly available such information as necessary to permit sales pursuant to Rule 144 or Regulation S under the Securities Act), and it shall use reasonable best efforts to take such further action as any Warrantholder may reasonably request, in each case to the extent required from time to time to enable such holder to, if permitted by the terms of this Warrant, sell this Warrant without registration under the Securities Act within the limitation of the exemptions provided by (A) Rule 144 or Regulation S under the Securities Act, as such rules may be amended from time to time, or (B) any successor rule or regulation hereafter adopted by the SEC. Upon the written request of any Warrantholder, the Company will deliver to such Warrantholder a written statement that it has complied with such requirements.

15. Adjustments and Other Rights. Subject in each case to Section 15(J), the Exercise Price and the number of Shares issuable upon exercise of this Warrant shall be subject to adjustment from time to time as follows; *provided*, that if more than one subsection of this Section 15 is applicable to a single event, the subsection shall be applied that

produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of this Section 15 so as to result in duplication:

(A) Stock Splits, Subdivisions, Reclassifications or Combinations. If the Company shall (i) declare and pay a dividend or otherwise make a distribution on its Common Stock payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivide (by any stock split, recapitalization or otherwise) the outstanding shares of Common Stock into a greater number of shares, or (iii) combine (including by way of reverse stock split) or reclassify the outstanding shares of Common Stock into a smaller number of shares, the number of Shares issuable upon exercise of this Warrant at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be proportionately adjusted so that the Warrantholder after such date shall be entitled to purchase the number of shares of Common Stock which such holder would have owned or been entitled to receive in respect of the shares of Common Stock subject to this Warrant after such date had this Warrant been exercised immediately prior to such date. In such event, the Exercise Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted to the number obtained by dividing (x) the product of (1) the number of Shares issuable upon the exercise of this Warrant before such adjustment and (2) the Exercise Price in effect immediately prior to the record or effective date, as the case may be, for the dividend, distribution, subdivision, combination or reclassification giving rise to this adjustment by (y) the new number of Shares issuable upon exercise of the Warrant determined pursuant to the immediately preceding sentence. Any adjustment made pursuant to this Section 15(A) shall, in the case of a dividend or distribution, become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and, in the case of a subdivision, combination or re-classification, become effective immediately after the effective date of such subdivision, combination or re-classification.

(B) Other Distributions. In case the Company shall fix a record date for the making of a distribution to any or all holders of shares of its Common Stock of securities, evidences of indebtedness, assets, cash, rights, warrants or other property (excluding Ordinary Cash Dividends and other dividends or distributions referred to in Section 15(A)), in each such case, the Exercise Price in effect prior to such record date shall be reduced immediately thereafter to the price determined by multiplying the Exercise Price in effect immediately prior to the reduction by the quotient of (x) the Market Price of the Common Stock on the last trading day preceding the first date on which the Common Stock trades regular way on the principal national securities exchange on which the Common Stock is listed or admitted to trading without the right to receive such distribution, minus the amount of cash and/or the Fair Market Value of the securities, evidences of

indebtedness, assets, rights, warrants or other property to be so distributed in respect of one share of Common Stock (such amount and/or Fair Market Value, the "*Per Share Fair Market Value*") divided by (y) such Market Price on such date specified in clause (x); such adjustment shall be made successively whenever such a record date is fixed. In such event, the number of Shares issuable upon the exercise of this Warrant shall be increased to the number obtained by dividing (x) the product of (1) the number of Shares issuable upon the exercise of this Warrant before such adjustment, and (2) the Exercise Price in effect immediately prior to the distribution giving rise to this adjustment by (y) the new Exercise Price determined in accordance with the immediately preceding sentence. In the case of adjustment for a cash dividend that is, or is coincident with, a regular quarterly cash dividend, the Per Share Fair Market Value would be reduced by the per share amount of the portion of the cash dividend that would constitute an Ordinary Cash Dividend. In the event that such distribution is not so made, the Exercise Price and the number of Shares issuable upon exercise of this Warrant then in effect shall be readjusted, effective as of the date when the Board of Directors determines not to distribute such shares, evidences of indebtedness, assets, rights, cash, warrants or other property, as the case may be, to the Exercise Price that would then be in effect and the number of Shares that would then be issuable upon exercise of this Warrant if such record date had not been fixed.

(C) Adjustments Upon Reorganization, Reclassification, Consolidation or Merger. In the event of any (i) capital reorganization of the Company, (ii) reclassification of the stock of the Company (other than a reclassification of Common Stock referred to in Section 15(A)), (iii) consolidation or merger of the Company with or into another Person, (iv) sale of all or substantially all of the Company's assets to another Person or (v) other similar transaction (other than any such transaction covered by Section 15(A)) in each case which entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities or property with respect to or in exchange for Common Stock, each Warrant shall, immediately after such reorganization, reclassification, consolidation, merger, sale or similar transaction, remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Shares then exercisable under this Warrant, be exercisable for the kind and number of shares of stock or other securities or property of the Company or of the successor Person resulting from such transaction to which the Warrantholder would have been entitled upon such reorganization, reclassification, consolidation, merger, sale or similar transaction if the Warrantholder had exercised this Warrant in full immediately prior to the time of such reorganization, reclassification, consolidation, merger, sale or similar transaction and acquired the applicable number of Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant); and, in such case, appropriate adjustment shall be made with respect to the Warrantholder's rights under this Warrant to insure that the provisions of this Section 15 shall thereafter be applicable, as nearly as possible, to this Warrant in relation to any shares of stock,

securities or property thereafter acquirable upon exercise of this Warrant. In determining the kind and amount of stock, securities or property receivable upon exercise of this Warrant following the consummation of such transaction, if the holders of Common Stock have the right to elect the kind or amount of consideration receivable upon consummation of such transaction, then the Warrantholder shall have the right to make a similar election (including, without limitation, being subject to similar proration constraints) upon exercise of this Warrant with respect to the number of shares of stock or other securities or property which the Warrantholder will receive upon exercise of this Warrant. The provisions of this Section 15(A) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or similar transactions. Prior to the consummation thereof, the successor Person (if other than the Company) resulting from such reorganization, reclassification, consolidation, merger, sale or similar transaction, shall assume, by written instrument substantially similar in form and substance to this Warrant, the obligation to deliver to the Warrantholder such shares of stock, securities or property which, in accordance with the foregoing provisions, such Warrantholder shall be entitled to receive upon exercise of this Warrant.

(D) Rounding of Calculations; Minimum Adjustments. All calculations under this Section 15 shall be made to the nearest one-tenth (1/10th) of a cent or to the nearest one-hundredth (1/100th) of a share, as the case may be. Any provision of this Section 15 to the contrary notwithstanding, no adjustment in the Exercise Price or the number of Shares into which this Warrant is exercisable shall be made if the amount of such adjustment would be less than $0.01 or one-tenth (1/10th) of a share of Common Stock, but any such amount shall be carried forward and an adjustment with respect thereto shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate $0.01 or 1/10th of a share of Common Stock, or more.

(E) Timing of Issuance of Additional Common Stock Upon Certain Adjustments. In any case in which the provisions of this Section 15 shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event (i) issuing to the Warrantholder of this Warrant exercised after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of Common Stock issuable upon such exercise before giving effect to such adjustment and (ii) paying to such Warrantholder any amount of cash in lieu of a fractional share of Common Stock; *provided*, *however*, that the Company upon request shall deliver to such Warrantholder a due bill or other appropriate instrument evidencing such Warrantholder's right to receive such additional shares, and such cash, upon the occurrence of the event requiring such adjustment.

(F) Notice to the Warrantholder.

(i) *Adjustment to Exercise Price*. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 15, the Company shall promptly compute such adjustment, in good faith, in accordance with the terms of this Warrant, and prepare a certificate setting forth such adjustment, including (A) a statement of the adjusted Exercise Price and adjusted number or type of Shares or other securities or property issuable upon exercise of this Warrant (as applicable), (B) in the case of adjustment pursuant to Section 15(B), a statement of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock, and setting forth a brief statement of the facts requiring such adjustment and certifying the calculation thereof, and (C) the amount of withholding taxes, if any, that would be payable by the Company as a result of the adjustment, as described in Section 15(J). The Company shall deliver a copy of each such certificate to the Warrantholder as promptly as reasonably practicable following any adjustment of the Exercise Price, but in any event not later than ten business days thereafter.

(ii) *Notice to Allow Exercise by the Warrantholder*. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special or nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock or rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights of the Company, (D) the Company enters into or becomes bound by an agreement in connection with a Change of Control or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case (other than in the case of an Ordinary Cash Dividend), the Company shall cause to be mailed to the Warrantholder at the address appearing in the Company's records, at least 10 business days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distribution, redemption, rights or warrants are to be determined or (y) the date on which such Change of Control is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such Change of Control; *provided* that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. The Warrantholder shall remain entitled to exercise this

Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein. Except as otherwise prohibited by applicable laws, to the extent that any notice provided pursuant to this Section 15(F)(ii) contains material, non-public information regarding the Company, the Company shall disclose such information regarding the Company in a Current Report on Form 8-K and file such Current Report on Form 8-K with the SEC no later than the business day following the date such notice is delivered to the Warrantholder.

(G) Statement Regarding Adjustments. Whenever the Exercise Price or the number of Shares into which this Warrant is exercisable shall be adjusted as provided in Section 15, the Company shall forthwith file at the principal office of the Company a statement showing in reasonable detail the facts requiring such adjustment and the Exercise Price that shall be in effect and the number of Shares into which this Warrant shall be exercisable after such adjustment, and the Company shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each Warrantholder at the address appearing in the Company's records.

(H) Proceedings Prior to Any Action Requiring Adjustment. As a condition precedent to the taking of any action which would require an adjustment pursuant to this Section 15, the Company shall take any action which may be necessary, including obtaining regulatory, New York Stock Exchange or other applicable national securities exchange or stockholder approvals or exemptions, in order that the Company may thereafter validly and legally issue as fully paid and nonassessable all shares of Common Stock that the Warrantholder is entitled to receive upon exercise of this Warrant pursuant to this Section 15.

(I) Adjustment Rules. Any adjustments pursuant to this Section 15 shall be made successively whenever an event referred to herein shall occur. If an adjustment in Exercise Price made hereunder would reduce the Exercise Price to an amount below par value of the Common Stock, then such adjustment in Exercise Price made hereunder shall reduce the Exercise Price to the par value of the Common Stock.

(J) Withholding. The Warrantholder shall indemnify the Company for any liability for withholding tax on any constructive dividends for tax purposes resulting from an adjustment described in this Section 15. Promptly following Warrantholder's receipt of the notice described in Section 15(F)(i), Warrantholder shall remit to the Company the full amount of such withholding taxes (or evidence reasonably satisfactory to the Company that a reduced amount of withholding shall apply, together with payment of the reduced amount). Notwithstanding anything to the contrary in this Section 15, the adjustments to the Exercise Price described in this Section 15 shall not be effective until the Warrantholder has complied with its

obligations pursuant to the preceding sentence. This Section 15(J) shall survive the Exercise, lapse, transfer, or termination of this Warrant. If there is more than one permissible method to determine the amount of the constructive dividend for tax purposes, the Company will select the method that results in the lowest constructive dividend amount.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State. Each of the parties hereto agrees (a) to submit to the exclusive personal jurisdiction of the State or Federal courts in the Borough of Manhattan, The City of New York, (b) that exclusive jurisdiction and venue shall lie in the State or Federal courts in the State of New York, and (c) that notice may be served upon such party at the address and in the manner set forth for such party in Section 19 hereof. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS WARRANT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

17. Binding Effect. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall be binding upon and inure to the benefit of the parties hereto and their respective the successors and permitted assigns. The provisions of this Warrant are intended to be for the benefit of the Warrantholder from time to time of this Warrant and shall be enforceable by the Warrantholder or holder of Shares.

18. Amendments. This Warrant may be amended and the observance of any term of this Warrant may be waived only with the written consent of the Company and the Warrantholder.

19. Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other shall be in writing and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of facsimile, or three business days after depositing it in the United States mail with postage prepaid and properly addressed.

Notices and other communications hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites). Notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause of notification that such notice or communication is available and identifying the website address therefor

All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice.

If to the Company, to:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, NY 10105
Attention: Nicola Santoro, Jr.
Telephone: (212) 798-6100
Email: nsantoro@fortress.com

With a copy to:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: Jonathan Grebinar
Phone: 212-798-6100
Email: jgrebinar@fortress.com

With a copy to:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: Varun Wadhawan
Phone: 212-798-6100
Email: vwadhawan@fortress.com

With a copy to (which copy alone shall not constitute notice):

Skadden, Arps, Slate, Meagher and Flom LLP
One Manhattan West
New York, New York 10001
Attn: Michael Zeidel and Michael Schwartz
Telephone: (212) 735 3259 and (212) 735 3694
Fax: (917) 777 3259 and (917) 777 3694
Email: Michael.Zeidel@skadden.com and Michael.Schwartz@skadden.com

If to the Warrantholder, to the address (or facsimile number or e-mail) set forth on Schedule A hereto;

With a copy (which shall not constitute notice) to:

Sullivan & Cromwell LLP
125 Broad Street
New York, NY 10004-2498
Attn: Ari B. Blaut
E-mail: blauta@sullcrom.com

18. Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Warrantholder to exercise this Warrant to purchase Shares, and no enumeration herein of the rights or privileges of the Warrantholder, shall give rise to any liability of the Warrantholder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

19. Remedies. The Warrantholder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

20. Severability. Any provision of this Warrant held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

21. Entire Agreement. This Warrant and the forms attached hereto, contain the entire agreement between the parties with respect to the subject matter hereof and supersede all prior and contemporaneous arrangements or undertakings with respect thereto.

[*Remainder of page intentionally left blank*]

[Form of Notice of Exercise**]**

Date: _____

TO: New Residential Investment Corp.

RE: Election to Purchase Common Stock

The undersigned, pursuant to the provisions set forth in the attached Warrant, hereby agrees to subscribe for and purchase the number of shares of the Common Stock set forth below covered by such Warrant. The undersigned, in accordance with Section 2 of the Warrant, hereby agrees to pay the aggregate Exercise Price for such shares of Common Stock by means of the manner specified below. In the event that the undersigned desires to use a combination of such methods, such intent should be described in detail below. A new warrant evidencing the remaining shares of Common Stock covered by such Warrant, but not yet subscribed for and purchased, if any, should be issued in the name set forth below.

Number of Shares of Common Stock: _____

Aggregate Exercise Price: _____

Cash Payment:☐ _____

Reduction in Principal Amount of Loan:☐ _____

Cashless Exercise:☐ _____

Conditional Exercise:☐ _____

Method of Delivery: ☐ Book Entry

☐ Certificated

☐ Electronic

If to Prime Broker please provide Prime Broker account information:

_____

Warrantholder:
By:
Name:
Title:

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by a duly authorized officer.

Dated: May 19, 2020

New Residential Investment Corp.

By: _

Name:
Title:

[Signature Page to Warrant]

Schedule A

Canyon Partners, LLC
2000 Avenue of the Stars, 11th Floor
Los Angeles, CA 90067
Attn: Legal
Email: jkaplan@canyonpartners.com

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF ONLY IF SUCH SECURITIES HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT OR SUCH STATE SECURITIES LAWS.

BY HOLDING OR ACQUIRING THIS SECURITY, EACH WARRANTHOLDER SHALL BE DEEMED TO COVENANT TO THE COMPANY AS SET FORTH IN SECTION 15(J) HEREOF.

WARRANT No. S1-14

to purchase

Shares of Common Stock

New Residential Investment Corp.

a Delaware Corporation

Issue Date: May 27, 2020

THIS COMMON STOCK PURCHASE WARRANT (this "*Warrant*") certifies that, for value received, CF NRS-E LLC or its permitted assigns (the "*Warrantholder*") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time and from time to time on or after the date hereof (the "*Issue Date*") and on or prior to 5:00 p.m., New York City time, on May 19, 2023 (the "*Expiration Time*"), to subscribe for and purchase from New Residential Investment Corp., a Delaware corporation (the "*Company*"), 11,865,794 duly authorized, validly issued, fully paid and nonassessable shares of Common Stock (as subject to adjustment hereunder, the "*Shares*" and each a "*Share*"). The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price (as defined below). The Exercise Price and the number of Shares to be purchased upon exercise of this Warrant are subject to adjustment as hereinafter provided.

1. Definitions. Unless the context otherwise requires, when used herein the following terms shall have the meanings indicated.

"*Affiliate*" means, as applied to any person, any other person directly or indirectly controlling, controlled by, or under common control with, that person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of that person, whether through the ability to exercise voting power, by contract or otherwise.

Notwithstanding the foregoing, neither the Canyon Lenders nor any of their Affiliates shall be deemed to be an Affiliate of the Company, solely as a result of beneficially owning this Warrant or being a lender under the Loan.

"*Appraisal Procedure*" means a procedure whereby two independent appraisers, one chosen by the Company and one by the Warrantholder (or if there is more than one Warrantholder, a majority in interest of Warrantholders excluding any Warrantholder that is an Affiliate of the Company), shall mutually agree upon the determinations then the subject of appraisal. Each party shall deliver a notice to the other appointing its appraiser within 5 days after the Appraisal Procedure is invoked. If within 15 days after appointment of the two appraisers they are unable to agree upon the amount in question, a third independent appraiser shall be chosen within 5 days thereafter by the mutual consent of such first two appraisers or, if such two first appraisers fail to agree upon the appointment of a third appraiser, such appointment shall be made by the American Arbitration Association, or any organization successor thereto, from a panel of arbitrators having experience in appraisal of the subject matter to be appraised. The decision of the third appraiser so appointed and chosen shall be given within 15 days after the selection of such third appraiser. If three appraisers shall be appointed and the determination of one appraiser is disparate from the middle determination by more than twice the amount by which the other determination is disparate from the middle determination, then the determination of such appraiser shall be excluded, the remaining two determinations shall be averaged and such average shall be binding and conclusive upon the Company and the Warrantholder; otherwise, the average of all three determinations shall be binding upon the Company and the Warrantholder. The costs of conducting any Appraisal Procedure shall be borne by the Company.

"*Board of Directors*" means the board of directors of the Company, including any duly authorized committee thereof provided that each member of such duly authorized committee is an independent director.

"*business day*" means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

"*Canyon Lenders*" means Canyon Finance (Cayman) Limited, The Canyon Value Realization Master Fund-X, L.P., Canyon Value Realization Fund, L.P., CBFVEST Holdings LTD., GRFVEST Holdings LTD., Canyon IC Credit Master Fund L.P., Canyon Distressed Opportunity Master Fund III, L.P., Canyon NZ-DOF Investing, L.P., Canyon Distressed TX (A) LLC, Canyon Distressed TX (B) LLC, Canyon-EDOF (Master) L.P., Canyon Blue Credit Investment Fund L.P. and EP Canyon LTD.

"*Capital Stock*" means (A) with respect to any Person that is a corporation or company, any and all shares, interests, participations or other equivalents (however designated) of capital or capital stock of such Person and (B) with respect to any Person that is not a corporation or company, any and all partnership or other equity interests of such Person.

"*Cashless Exercise*" shall have the meaning set forth in Section 4.

"*Change of Control*" means, at any time, the occurrence of any of the following events or circumstances: (i) any "person" or "group" (within the meaning of Section 13(d) of the Exchange Act) shall become the "beneficial owner" (within the meaning of Section 13(d) of the Exchange Act), directly or indirectly, of Capital Stock of the Company representing 40% or more of the total voting power represented by the Company's then outstanding Capital Stock, (ii) the consummation of a merger or consolidation of the Company with or into any other Person, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent at least 40% of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation, or (iii) any direct or indirect sale, transfer or other disposition, in one transaction or a series of related transactions, of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole (it being agreed that the sale, transfer or other disposition by any Person of the Capital Stock of any subsidiary constitutes an indirect sale, transfer or disposition of the assets of such subsidiary).

"*Common Stock*" means the Company's common stock, $0.01 par value per share.

"*Company*" has the meaning set forth in the Preamble.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"*Exercise Price*" means $6.11 (as such price may be adjusted from time to time pursuant to Section 15 hereof).

"*Expiration Time*" has the meaning set forth in the Preamble.

"*Fair Market Value*" means, with respect to any security or other property, the fair market value of such security or other property as determined by the independent members of the Board of Directors, acting in good faith. If the Warrantholder objects in writing to the Board of Directors' calculation of Fair Market Value within 10 days of receipt of written notice thereof and the Warrantholder and the Company are unable to agree on Fair Market Value during the 10-day period following the delivery of the Warrantholder's objection, the Appraisal Procedure shall be invoked to determine Fair Market Value.

"*Governmental Authority*" means all United States and other governmental or regulatory authorities.

"*Issue Date*" has the meaning set forth in the Preamble.

"*Loan*" means a loan made pursuant to the Senior Secured Term Loan Facility Agreement, dated as of May 19, 2020, among the Company, as parent and the borrower, certain subsidiaries of the Company, as subsidiary guarantors, the lenders party thereto, and Cortland Capital Market Services LLC, as administrative agent and collateral agent, contemplating an $600,000,000 Senior Secured Term Loan Facility.

"*Market Price*" means, with respect to a particular security, on any given day, the last reported sale price, regular way, or, in case no such reported sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case on the principal national securities exchange on which the applicable securities are listed or admitted to trading, or if not listed or admitted to trading on any national securities exchange, the last quoted bid price in the over-the-counter market as reported by OTC Markets Group or similar organization. "Market Price" shall be determined without reference to after hours or extended hours trading. If such security is not listed and traded in a manner that the quotations referred to above are available for the period required hereunder, the Market Price per share of Common Stock shall be deemed to be the fair market value per share of such security as determined in good faith by the independent members of the Board of Directors in reliance upon an opinion of a nationally recognized independent investment banking firm retained by the Company for this purpose and reasonably acceptable to the Warrantholder (or if there is more than one Warrantholder, a majority in interest of Warrantholders excluding any Warrantholder that is an Affiliate of the Company). For the purposes of determining the Market Price of the Common Stock on the "trading day" preceding, on or following the occurrence of an event, (i) that trading day shall be deemed to commence immediately after the regular scheduled closing time of trading on the New York Stock Exchange or, if trading is closed at an earlier time, such earlier time and (ii) that trading day shall end at the next regular scheduled closing time, or if trading is closed at an earlier time, such earlier time (for the avoidance of doubt, and as an example, if the Market Price is to be determined as of the last trading day preceding a specified event and the closing time of trading on a particular day is 4:00 p.m. and the specified event occurs at 5:00 p.m. on that day, the Market Price would be determined by reference to such 4:00 p.m. closing price).

"*Ordinary Cash Dividends*" means a regular quarterly cash dividend on shares of Common Stock, *provided* that Ordinary Cash Dividends shall not include any cash dividends paid to the extent the aggregate per share dividends paid on shares of Common Stock in any calendar quarter, when declared, exceeds $0.10 per share, as adjusted for any stock split, stock dividend, reverse stock split, reclassification or similar transaction.

"*Ownership Limitations*" means the limitations on Transfers, Beneficial Ownership and Constructive Ownership (each as defined in the Company's charter) of shares of Capital Stock contained in the Company's charter, as amended from time to time.

"*Person*" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"*Per Share Fair Market Value*" has the meaning set forth in Section 15(B).

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"*Share*" or "*Shares*" has the meaning set forth in the Preamble.

"trading day" means (A) if the shares of Common Stock are traded on any national or regional securities exchange or association or over-the-counter market, a business day on which such relevant exchange or quotation system is scheduled to be open for business and on which the shares of Common Stock (i) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market for any period or periods aggregating one half hour or longer; and (ii) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the shares of Common Stock or (B) if the shares of Common Stock are not traded on any national or regional securities exchange or association or over-the-counter market, a business day.

"*Transfer Agent*" has the meaning set forth in Section 5(A)(i).

"*Warrantholder*" has the meaning set forth in the Preamble.

"*Warrant*" has the meaning set forth in the Preamble.

"*Warrant Share Delivery Date*" has the meaning set forth in Section 5(A)(i).

2. Number of Shares; Exercise Price. The Warrantholder is entitled, upon the terms and subject to the conditions hereinafter set forth, to acquire from the Company, in whole or in part, 11,865,794 fully paid and nonassessable Shares, at a purchase price per Share equal to the Exercise Price. The number of Shares and the Exercise Price are subject to adjustment as provided herein, and all references to "Common Stock," "Shares" and "Exercise Price" herein shall be deemed to include any such adjustment or series of adjustments.

3. Limitation on Shares Deliverable Upon Exercise of Warrant. Notwithstanding anything to the contrary in this Warrant, no Warrantholder shall be entitled to receive Shares upon exercise of this Warrant to the extent (but only to the extent) that such receipt would result in a violation of the Ownership Limitations, unless the Company provides an exemption from the Ownership Limitations as permitted by its charter. Any purported delivery of Shares upon exercise of this Warrant will be void and have no effect to the extent (but only to the extent) that such delivery would result in violation of the Ownership Limitations, unless the Company provides an exemption from the Ownership Limitations as permitted by its charter.

4. Exercise of Warrant; Term . Subject to Section 3, the right to purchase the Shares represented by this Warrant is exercisable, in whole or in part by the Warrantholder, at any time or from time to time after September 19, 2020 but in no event later than the Expiration Time, by (A) the delivery of the Notice of Exercise annexed hereto (including by specifying the manner in which the Exercise Price is to be paid), duly completed and executed on behalf of the Warrantholder, by hand delivery, e-mail or facsimile, at the principal executive office of the Company located at 1345 Avenue of the Americas, 45th

Floor, New York, NY 10105, e-mail: nsantoro@fortress.com (or such other office or agency of the Company in the United States as the Company may designate by notice in writing to the Warrantholder at the address of the Warrantholder appearing on the books of the Company), and (B) payment of the Exercise Price for the Shares thereby purchased at the election of the Warrantholder (i) by tendering in cash, either by certified or cashier's check payable to the order of the Company or by wire transfer of immediately available funds to an account designated by the Company, at the election of the Warrantholder, (ii) so long as the Warrantholder is the holder of a Loan in a principal amount exceeding the aggregate Exercise Price for the Shares, by reduction in principal amount of the Loan held by the Warrantholder in an amount equal to the aggregate Exercise Price for the Shares, (iii) by means of a Cashless Exercise as set forth in the paragraph below, or (iv) by a combination of the foregoing.

The Warrantholder may, in its sole discretion and in lieu of payment of the Exercise Price, elect to exercise all or any part of this Warrant in a "cashless" or "net-issue" exercise (a "*Cashless Exercise*") by delivering to the Company a Notice of Exercise selecting a Cashless Exercise, as a result of which the Warrantholder shall be entitled to receive a number of shares of Common Stock calculated using the following formula:

$$X = \frac{Y * (A - B)}{A}$$

where: X = the number of shares of Common Stock to be issued to the Warrantholder

Y = the number of shares of Common Stock with respect to which the Warrant is being exercised

A = the Market Price of the Common Stock on the last trading day preceding the date of exercise of this Warrant

B = the then-current Exercise Price of the Warrant

Notwithstanding anything in this Warrant to the contrary, the Warrantholder shall not be required to physically surrender this Warrant to the Company in order to exercise all or a portion of this Warrant; provided, however, that if the Warrantholder does not exercise this Warrant in its entirety, the Warrantholder shall promptly following such partial exercise surrender this Warrant to the Company and shall be entitled to receive from the Company within a reasonable time, and in any event not exceeding three business days, a new warrant in substantially identical form for the purchase of that number of Shares equal to the difference between the number of Shares subject to this Warrant and the number of Shares as to which this Warrant was so exercised. When the Warrantholder has purchased all of the Shares available hereunder and this Warrant has been exercised in full, the Warrantholder shall surrender this Warrant to the Company for cancellation within three business days after the date the final Notice of Exercise is

delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Shares available hereunder shall have the effect of lowering the outstanding number of Shares purchasable hereunder in an amount equal to the applicable number of Shares purchased. The Warrantholder and the Company shall maintain records showing the number of Shares purchased and the date of such purchases. The Company shall inform the Warrantholder if a Notice of Exercise has not been duly completed within one business day of receipt of such notice, but shall not refuse or object to the issuance of the Shares upon receipt of, and pursuant to, a duly completed Notice of Exercise. **The Warrantholder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Shares hereunder, the number of Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

Notwithstanding anything in this Warrant to the contrary, the Warrantholder hereby acknowledges and agrees that its exercise of this Warrant for Shares is subject to the condition that the Warrantholder will have first received, to the extent applicable and required to permit the Warrantholder to exercise this Warrant for shares of Common Stock and to own such Common Stock, the receipt of any necessary approvals and authorizations of, filings and registrations with, notifications to, or expiration or termination of any applicable waiting period under, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

5. Mechanics of Exercise; Issuance of Shares; Representations, Warranties and Covenants of the Company; Listing.

(A) Mechanics of Exercise.

(i) *Delivery of Certificates and/or Book-Entry Shares Upon Exercise* . Certificates for shares purchased hereunder shall be transmitted by the Company's transfer agent (the "*Transfer Agent*") to the Warrantholder by, at the Warrantholder's request (A) crediting the account of the Warrantholder's prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system if the Company is then a participant in such system, (B) physical delivery to the address specified by the Warrantholder in the Notice of Exercise or (C) by entry on the books of the Company (or the Company's transfer agent, if any), in each case by the date that is two trading days after the later of (1) payment of the Exercise Price as set forth above or (2) the date of a Cashless Exercise, if applicable (such later date, the "*Warrant Share Delivery Date*"). The applicable Shares shall be deemed to have been issued, and the Warrantholder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the applicable exercise date or the date that is two trading days following the date of a Cashless Exercise, as applicable. Notwithstanding the foregoing, the Company shall not be required to

deliver shares through the system of The Depositary Trust Company if it determines that pursuant to Section 10 a legend is required to be included on the Shares being delivered.

(ii) *Rescission Rights*. If the Company fails to cause the Transfer Agent to transmit to the Warrantholder a certificate or the certificates representing the Shares pursuant to Section 5(A)(i) by the Warrant Share Delivery Date (other than as a result of any action or inaction of the Warrantholder's prime broker), then the Warrantholder shall have the right to rescind such exercise. Any rescission by the Warrantholder pursuant to this Section 5(A)(ii) shall not affect any other remedies available to the Warrantholder under applicable law or equity as a result of the Company's failure to timely deliver the Shares.

(iii) *Closing of Books*. The Company shall not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant pursuant to the terms hereof.

(B) Conditional Exercise. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is to be made in connection with an underwritten public offering or a sale of the Company (pursuant to a merger, sale of stock, or otherwise), such exercise may, at the election of the Warrantholder (set forth in the applicable Notice of Exercise), be conditioned upon the consummation of such transaction, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such transaction.

(C) Representations, Warranties and Covenants of the Company. The Company hereby represents, covenants and agrees, as applicable:

(iv) The Company (A) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, (B) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as currently proposed to be conducted, to issue and enter into this Warrant and to carry out the transactions contemplated thereby, and (C) except where the failure to do so, individually or in the aggregate, has not had, and could not be reasonably expected to have, a material adverse effect on the business, assets, financial condition or operations of the Company, is qualified to do business and, where applicable is in good standing, in every jurisdiction where such qualification is required.

(v) This Warrant is, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, duly authorized and validly issued. This Warrant constitutes, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, a legal, valid and binding obligation of the Company, enforceable against the Company in

accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(vi) The execution, delivery and performance by the Company of this Warrant and any Warrant issued in substitution for or replacement of this Warrant does not and will not (A) violate any material provision of applicable law or the organizational documents of the Company, (B) conflict with, result in a breach of, or constitute (with the giving of any notice, the passage of time, or both) a default under any material agreement of the Company or (C) result in or require the creation or imposition of any lien upon any assets of the Company.

(vii) The Company covenants that, during the period this Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Shares upon the exercise of any purchase rights represented by this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Shares upon the exercise of the purchase rights under this Warrant. The Company shall take all such action as may be necessary or appropriate to assure that such Shares may be issued as provided herein without violation of any applicable law or regulation or any preemptive or similar rights of any equity holder of the Company. The Company shall (A) procure, at its sole expense, the listing of the Shares issuable upon exercise of this Warrant, subject to issuance or notice of issuance, on all principal stock exchanges on which the Common Stock is then listed or traded and (B) maintain such listings of such Shares at all times after issuance.

(viii) The Company covenants that all Shares which may be issued upon the exercise of the purchase rights represented by this Warrant shall, upon exercise of the purchase rights represented by this Warrant and payment for such Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges (other than liens or charges created by the Warrantholder, except as otherwise provided herein, income and franchise taxes incurred in connection with the exercise of the Warrant or taxes in respect of any transfer occurring contemporaneously therewith)

(ix) Except and to the extent as waived or consented to by the Warrantholder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization,

transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Warrantholder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company shall (A) not increase the par value of any Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (B) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Shares upon the exercise of this Warrant, (C) use its reasonable best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant, and (D) use reasonable best efforts to ensure that the Shares may be issued without violation of any applicable law or regulation or of any requirement of any securities exchange on which the Shares are listed or traded. Notwithstanding the foregoing, nothing in this paragraph shall prevent the Company from repurchasing or otherwise buying back shares of its Common Stock.

(x) Before taking any action which would result in an adjustment in the number of Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock at the Exercise Price as so adjusted.

6. No Fractional Shares. No fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a Share that the Warrantholder would otherwise be entitled to purchase upon such exercise, the Company shall, at the Company's election, either (A) pay to such Warrantholder an amount in cash (by delivery of a certified or official bank check or by wire transfer of immediately available funds) equal to the product of (1) such fraction multiplied by (2) the Market Price of one Share on the exercise date or the date of Cashless Exercise, as applicable, or (B) round up to the next whole share.

7. No Rights as Stockholders; Transfer Books. This Warrant does not entitle the Warrantholder to any voting rights or other rights as a stockholder of the Company prior to the date of exercise hereof. The Company will at no time close its transfer books against transfer of this Warrant in any manner which interferes with the timely exercise of this Warrant.

8. Charges, Taxes and Expenses. Issuance of certificates for Shares to the Warrantholder upon the exercise of this Warrant shall be made without charge to the Warrantholder for

any issue or transfer tax or other incidental expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company.

9. Accredited Investor. The Warrantholder acknowledges that the Warrant and the Shares issuable upon exercise have not been registered under the Securities Act or under any state securities laws. The Warrantholder expressly warrants that it (i) is acquiring the Warrant (and any Shares issuable upon exercise) pursuant to an exemption from registration under the Securities Act solely for investment with no present intention to distribute the Warrant (or any Shares issuable upon exercise) to any person in violation of the Securities Act or any applicable U.S. state securities laws, (ii) will not sell or otherwise dispose of any of the Warrant (or any Shares issuable upon exercise), except in compliance with the registration requirements or exemption provisions of the Securities Act and any applicable U.S. state securities laws, (iii) has such knowledge and experience in financial and business matters and in investments of this type that it is capable of evaluating the merits and risks and of making an informed investment decision, and has conducted a review of the business and affairs of the Company that it considers sufficient and reasonable, (iv) is able to bear the economic risk and at the present time is able to afford a complete loss of such investment and (v) is an "accredited investor" (as that term is defined by Rule 501 under the Securities Act).

10. Transfer/Assignment.

(A) Subject to compliance with clauses (B) and (C) of this Section 10, this Warrant and all rights hereunder are transferable, in whole or in part, upon the books of the Company by the registered holder hereof in person or by duly authorized attorney, and a new warrant shall be made and delivered by the Company, of the same tenor and date as this Warrant but registered in the name of one or more transferees, upon surrender of this Warrant, duly endorsed, to the office or agency of the Company described in Section 4. All expenses (other than stock transfer taxes) and other charges payable in connection with the preparation, execution and delivery of the new warrants pursuant to this Section 10 shall be paid by the Company.

(B) This Warrant shall not be transferrable prior to September 19, 2020; *provided* that prior to such date, (i) if the Warrantholder sells, assigns, transfers or grants a participation in all or a portion of its rights and obligations under a Loan, the Warrantholder shall be permitted to transfer a pro rata portion of this Warrant together with such sale, assignment, transfer or participation, (ii) the Warrantholder shall be permitted to transfer all or a portion of this Warrant to any of its Affiliates, any initial lender under the Loan or any Affiliate of such an initial lender.

(C) If and for so long as the Warrant has not been registered under the Securities Act, this Warrant Certificate shall contain a legend as set forth in the first paragraph of the legend set forth on the first page of this Warrant. A similar legend will be

included on any Shares issuable upon exercise of the Warrant under similar circumstances.

11. Exchange and Registry of Warrant. This Warrant is exchangeable, upon the surrender hereof by the Warrantholder to the Company, for a new warrant or warrants of like tenor and representing the right to purchase the same aggregate number of Shares. The Company shall maintain a registry showing the name and address of the Warrantholder as the registered holder of this Warrant. This Warrant may be surrendered for exchange or exercise, in accordance with its terms, at the office of the Company, and the Company shall be entitled to rely in all respects, prior to written notice to the contrary, upon such registry.

12. Loss, Theft, Destruction or Mutilation of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in the case of any such loss, theft or destruction, upon receipt of a bond, indemnity or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, the Company shall make and deliver, in lieu of such lost, stolen, destroyed or mutilated Warrant, a new Warrant of like tenor and representing the right to purchase the same aggregate number of Shares as provided for in such lost, stolen, destroyed or mutilated Warrant.

13. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a business day, then such action may be taken or such right may be exercised on the next succeeding day that is a business day.

14. Rule 144 Information. The Company covenants that it shall use its reasonable best efforts to timely file all reports and other documents required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations promulgated by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the request of any Warrantholder, make publicly available such information as necessary to permit sales pursuant to Rule 144 or Regulation S under the Securities Act), and it shall use reasonable best efforts to take such further action as any Warrantholder may reasonably request, in each case to the extent required from time to time to enable such holder to, if permitted by the terms of this Warrant, sell this Warrant without registration under the Securities Act within the limitation of the exemptions provided by (A) Rule 144 or Regulation S under the Securities Act, as such rules may be amended from time to time, or (B) any successor rule or regulation hereafter adopted by the SEC. Upon the written request of any Warrantholder, the Company will deliver to such Warrantholder a written statement that it has complied with such requirements.

15. Adjustments and Other Rights. Subject in each case to Section 15(J), the Exercise Price and the number of Shares issuable upon exercise of this Warrant shall be subject to adjustment from time to time as follows; *provided*, that if more than one subsection of this Section 15 is applicable to a single event, the subsection shall be applied that

produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of this Section 15 so as to result in duplication:

(A) Stock Splits, Subdivisions, Reclassifications or Combinations. If the Company shall (i) declare and pay a dividend or otherwise make a distribution on its Common Stock payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivide (by any stock split, recapitalization or otherwise) the outstanding shares of Common Stock into a greater number of shares, or (iii) combine (including by way of reverse stock split) or reclassify the outstanding shares of Common Stock into a smaller number of shares, the number of Shares issuable upon exercise of this Warrant at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be proportionately adjusted so that the Warrantholder after such date shall be entitled to purchase the number of shares of Common Stock which such holder would have owned or been entitled to receive in respect of the shares of Common Stock subject to this Warrant after such date had this Warrant been exercised immediately prior to such date. In such event, the Exercise Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted to the number obtained by dividing (x) the product of (1) the number of Shares issuable upon the exercise of this Warrant before such adjustment and (2) the Exercise Price in effect immediately prior to the record or effective date, as the case may be, for the dividend, distribution, subdivision, combination or reclassification giving rise to this adjustment by (y) the new number of Shares issuable upon exercise of the Warrant determined pursuant to the immediately preceding sentence. Any adjustment made pursuant to this Section 15(A) shall, in the case of a dividend or distribution, become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and, in the case of a subdivision, combination or re-classification, become effective immediately after the effective date of such subdivision, combination or re-classification.

(B) Other Distributions. In case the Company shall fix a record date for the making of a distribution to any or all holders of shares of its Common Stock of securities, evidences of indebtedness, assets, cash, rights, warrants or other property (excluding Ordinary Cash Dividends and other dividends or distributions referred to in Section 15(A)), in each such case, the Exercise Price in effect prior to such record date shall be reduced immediately thereafter to the price determined by multiplying the Exercise Price in effect immediately prior to the reduction by the quotient of (x) the Market Price of the Common Stock on the last trading day preceding the first date on which the Common Stock trades regular way on the principal national securities exchange on which the Common Stock is listed or admitted to trading without the right to receive such distribution, minus the amount of cash and/or the Fair Market Value of the securities, evidences of

indebtedness, assets, rights, warrants or other property to be so distributed in respect of one share of Common Stock (such amount and/or Fair Market Value, the "*Per Share Fair Market Value*") divided by (y) such Market Price on such date specified in clause (x); such adjustment shall be made successively whenever such a record date is fixed. In such event, the number of Shares issuable upon the exercise of this Warrant shall be increased to the number obtained by dividing (x) the product of (1) the number of Shares issuable upon the exercise of this Warrant before such adjustment, and (2) the Exercise Price in effect immediately prior to the distribution giving rise to this adjustment by (y) the new Exercise Price determined in accordance with the immediately preceding sentence. In the case of adjustment for a cash dividend that is, or is coincident with, a regular quarterly cash dividend, the Per Share Fair Market Value would be reduced by the per share amount of the portion of the cash dividend that would constitute an Ordinary Cash Dividend. In the event that such distribution is not so made, the Exercise Price and the number of Shares issuable upon exercise of this Warrant then in effect shall be readjusted, effective as of the date when the Board of Directors determines not to distribute such shares, evidences of indebtedness, assets, rights, cash, warrants or other property, as the case may be, to the Exercise Price that would then be in effect and the number of Shares that would then be issuable upon exercise of this Warrant if such record date had not been fixed.

(C) Adjustments Upon Reorganization, Reclassification, Consolidation or Merger. In the event of any (i) capital reorganization of the Company, (ii) reclassification of the stock of the Company (other than a reclassification of Common Stock referred to in Section 15(A)), (iii) consolidation or merger of the Company with or into another Person, (iv) sale of all or substantially all of the Company's assets to another Person or (v) other similar transaction (other than any such transaction covered by Section 15(A)) in each case which entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities or property with respect to or in exchange for Common Stock, each Warrant shall, immediately after such reorganization, reclassification, consolidation, merger, sale or similar transaction, remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Shares then exercisable under this Warrant, be exercisable for the kind and number of shares of stock or other securities or property of the Company or of the successor Person resulting from such transaction to which the Warrantholder would have been entitled upon such reorganization, reclassification, consolidation, merger, sale or similar transaction if the Warrantholder had exercised this Warrant in full immediately prior to the time of such reorganization, reclassification, consolidation, merger, sale or similar transaction and acquired the applicable number of Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant); and, in such case, appropriate adjustment shall be made with respect to the Warrantholder's rights under this Warrant to insure that the provisions of this Section 15 shall thereafter be applicable, as nearly as possible, to this Warrant in relation to any shares of stock,

securities or property thereafter acquirable upon exercise of this Warrant. In determining the kind and amount of stock, securities or property receivable upon exercise of this Warrant following the consummation of such transaction, if the holders of Common Stock have the right to elect the kind or amount of consideration receivable upon consummation of such transaction, then the Warrantholder shall have the right to make a similar election (including, without limitation, being subject to similar proration constraints) upon exercise of this Warrant with respect to the number of shares of stock or other securities or property which the Warrantholder will receive upon exercise of this Warrant. The provisions of this Section 15(A) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or similar transactions. Prior to the consummation thereof, the successor Person (if other than the Company) resulting from such reorganization, reclassification, consolidation, merger, sale or similar transaction, shall assume, by written instrument substantially similar in form and substance to this Warrant, the obligation to deliver to the Warrantholder such shares of stock, securities or property which, in accordance with the foregoing provisions, such Warrantholder shall be entitled to receive upon exercise of this Warrant.

(D) Rounding of Calculations; Minimum Adjustments. All calculations under this Section 15 shall be made to the nearest one-tenth (1/10th) of a cent or to the nearest one-hundredth (1/100th) of a share, as the case may be. Any provision of this Section 15 to the contrary notwithstanding, no adjustment in the Exercise Price or the number of Shares into which this Warrant is exercisable shall be made if the amount of such adjustment would be less than $0.01 or one-tenth (1/10th) of a share of Common Stock, but any such amount shall be carried forward and an adjustment with respect thereto shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate $0.01 or 1/10th of a share of Common Stock, or more.

(E) Timing of Issuance of Additional Common Stock Upon Certain Adjustments. In any case in which the provisions of this Section 15 shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event (i) issuing to the Warrantholder of this Warrant exercised after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of Common Stock issuable upon such exercise before giving effect to such adjustment and (ii) paying to such Warrantholder any amount of cash in lieu of a fractional share of Common Stock; *provided*, *however*, that the Company upon request shall deliver to such Warrantholder a due bill or other appropriate instrument evidencing such Warrantholder's right to receive such additional shares, and such cash, upon the occurrence of the event requiring such adjustment.

(F) Notice to the Warrantholder.

(i) *Adjustment to Exercise Price*. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 15, the Company shall promptly compute such adjustment, in good faith, in accordance with the terms of this Warrant, and prepare a certificate setting forth such adjustment, including (A) a statement of the adjusted Exercise Price and adjusted number or type of Shares or other securities or property issuable upon exercise of this Warrant (as applicable), (B) in the case of adjustment pursuant to Section 15(B), a statement of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock, and setting forth a brief statement of the facts requiring such adjustment and certifying the calculation thereof, and (C) the amount of withholding taxes, if any, that would be payable by the Company as a result of the adjustment, as described in Section 15(J). The Company shall deliver a copy of each such certificate to the Warrantholder as promptly as reasonably practicable following any adjustment of the Exercise Price, but in any event not later than ten business days thereafter.

(ii) *Notice to Allow Exercise by the Warrantholder*. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special or nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock or rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights of the Company, (D) the Company enters into or becomes bound by an agreement in connection with a Change of Control or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case (other than in the case of an Ordinary Cash Dividend), the Company shall cause to be mailed to the Warrantholder at the address appearing in the Company's records, at least 10 business days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distribution, redemption, rights or warrants are to be determined or (y) the date on which such Change of Control is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such Change of Control; *provided* that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. The Warrantholder shall remain entitled to exercise this

Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein. Except as otherwise prohibited by applicable laws, to the extent that any notice provided pursuant to this Section 15(F)(ii) contains material, non-public information regarding the Company, the Company shall disclose such information regarding the Company in a Current Report on Form 8-K and file such Current Report on Form 8-K with the SEC no later than the business day following the date such notice is delivered to the Warrantholder.

(G) Statement Regarding Adjustments. Whenever the Exercise Price or the number of Shares into which this Warrant is exercisable shall be adjusted as provided in Section 15, the Company shall forthwith file at the principal office of the Company a statement showing in reasonable detail the facts requiring such adjustment and the Exercise Price that shall be in effect and the number of Shares into which this Warrant shall be exercisable after such adjustment, and the Company shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each Warrantholder at the address appearing in the Company's records.

(H) Proceedings Prior to Any Action Requiring Adjustment. As a condition precedent to the taking of any action which would require an adjustment pursuant to this Section 15, the Company shall take any action which may be necessary, including obtaining regulatory, New York Stock Exchange or other applicable national securities exchange or stockholder approvals or exemptions, in order that the Company may thereafter validly and legally issue as fully paid and nonassessable all shares of Common Stock that the Warrantholder is entitled to receive upon exercise of this Warrant pursuant to this Section 15.

(I) Adjustment Rules. Any adjustments pursuant to this Section 15 shall be made successively whenever an event referred to herein shall occur. If an adjustment in Exercise Price made hereunder would reduce the Exercise Price to an amount below par value of the Common Stock, then such adjustment in Exercise Price made hereunder shall reduce the Exercise Price to the par value of the Common Stock.

(J) Withholding. The Warrantholder shall indemnify the Company for any liability for withholding tax on any constructive dividends for tax purposes resulting from an adjustment described in this Section 15. Promptly following Warrantholder's receipt of the notice described in Section 15(F)(i), Warrantholder shall remit to the Company the full amount of such withholding taxes (or evidence reasonably satisfactory to the Company that a reduced amount of withholding shall apply, together with payment of the reduced amount). Notwithstanding anything to the contrary in this Section 15, the adjustments to the Exercise Price described in this Section 15 shall not be effective until the Warrantholder has complied with its

obligations pursuant to the preceding sentence. This Section 15(J) shall survive the Exercise, lapse, transfer, or termination of this Warrant. If there is more than one permissible method to determine the amount of the constructive dividend for tax purposes, the Company will select the method that results in the lowest constructive dividend amount.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State. Each of the parties hereto agrees (a) to submit to the exclusive personal jurisdiction of the State or Federal courts in the Borough of Manhattan, The City of New York, (b) that exclusive jurisdiction and venue shall lie in the State or Federal courts in the State of New York, and (c) that notice may be served upon such party at the address and in the manner set forth for such party in Section 19 hereof. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS WARRANT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

17. Binding Effect. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall be binding upon and inure to the benefit of the parties hereto and their respective the successors and permitted assigns. The provisions of this Warrant are intended to be for the benefit of the Warrantholder from time to time of this Warrant and shall be enforceable by the Warrantholder or holder of Shares.

18. Amendments. This Warrant may be amended and the observance of any term of this Warrant may be waived only with the written consent of the Company and the Warrantholder.

19. Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other shall be in writing and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of facsimile, or three business days after depositing it in the United States mail with postage prepaid and properly addressed.

Notices and other communications hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites). Notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause of notification that such notice or communication is available and identifying the website address therefor

All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice.

If to the Company, to:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, NY 10105
Attention: Nicola Santoro, Jr.
Telephone: (212) 798-6100
Email: nsantoro@fortress.com

With a copy to:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: Jonathan Grebinar
Phone: 212-798-6100
Email: jgrebinar@fortress.com

With a copy to:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: Varun Wadhawan
Phone: 212-798-6100
Email: vwadhawan@fortress.com

With a copy to (which copy alone shall not constitute notice):

Skadden, Arps, Slate, Meagher and Flom LLP
One Manhattan West
New York, New York 10001
Attn: Michael Zeidel and Michael Schwartz
Telephone: (212) 735 3259 and (212) 735 3694
Fax: (917) 777 3259 and (917) 777 3694
Email: Michael.Zeidel@skadden.com and Michael.Schwartz@skadden.com

If to the Warrantholder, to the address (or facsimile number or e-mail) set forth on Schedule A hereto;

With a copy to:

Fortress Credit Advisors LLC
One Market Plaza, Spear Tower, 42nd Flr
San Francisco, CA 94105
Attention: Mario Rivera
Email: MRivera@fortress.com

18. Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Warrantholder to exercise this Warrant to purchase Shares, and no enumeration herein of the rights or privileges of the Warrantholder, shall give rise to any liability of the Warrantholder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

19. Remedies. The Warrantholder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

20. Severability. Any provision of this Warrant held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

21. Entire Agreement. This Warrant and the forms attached hereto, contain the entire agreement between the parties with respect to the subject matter hereof and supersede all prior and contemporaneous arrangements or undertakings with respect thereto.

[*Remainder of page intentionally left blank*]

[Form of Notice of Exercise**]**

Date: _____

TO: New Residential Investment Corp.

RE: Election to Purchase Common Stock

The undersigned, pursuant to the provisions set forth in the attached Warrant, hereby agrees to subscribe for and purchase the number of shares of the Common Stock set forth below covered by such Warrant. The undersigned, in accordance with Section 2 of the Warrant, hereby agrees to pay the aggregate Exercise Price for such shares of Common Stock by means of the manner specified below. In the event that the undersigned desires to use a combination of such methods, such intent should be described in detail below. A new warrant evidencing the remaining shares of Common Stock covered by such Warrant, but not yet subscribed for and purchased, if any, should be issued in the name set forth below.

Number of Shares of Common Stock: _____

Aggregate Exercise Price: _____

Cash Payment:☐ _____

Reduction in Principal Amount of Loan:☐ _____

Cashless Exercise:☐ _____

Conditional Exercise:☐ _____

Method of Delivery: ☐ Book Entry

☐ Certificated

☐ Electronic

If to Prime Broker please provide Prime Broker account information:

_____

Warrantholder:
By:
Name:
Title:

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by a duly authorized officer.

Dated: May 19, 2020

New Residential Investment Corp.

By: _

Name:
Title:

[Signature Page to Warrant]

Schedule A

Fortress Credit Advisors LLC
1345 Avenue of the Americas, 46th Flr
New York, NY 10105
Attention: GC Credit
Email: gccredit@fortress.com

Exhibit 10.62

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR THE SECURITIES LAWS OF ANY STATE AND MAY BE TRANSFERRED, SOLD OR OTHERWISE DISPOSED OF ONLY IF SUCH SECURITIES HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND ANY APPLICABLE STATE SECURITIES LAWS OR PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER SUCH ACT OR SUCH STATE SECURITIES LAWS.

BY HOLDING OR ACQUIRING THIS SECURITY, EACH WARRANTHOLDER SHALL BE DEEMED TO COVENANT TO THE COMPANY AS SET FORTH IN SECTION 15(J) HEREOF.

WARRANT No. S2-14

to purchase

Shares of Common Stock

New Residential Investment Corp.

a Delaware Corporation

Issue Date: May 27, 2020

THIS COMMON STOCK PURCHASE WARRANT (this "*Warrant*") certifies that, for value received, CF NRS-E LLC or its permitted assigns (the "*Warrantholder*") is entitled, upon the terms and subject to the limitations on exercise and the conditions hereinafter set forth, at any time and from time to time on or after the date hereof (the "*Issue Date*") and on or prior to 5:00 p.m., New York City time, on May 19, 2023 (the "*Expiration Time*"), to subscribe for and purchase from New Residential Investment Corp., a Delaware corporation (the "*Company*"), 9,130,982 duly authorized, validly issued, fully paid and nonassessable shares of Common Stock (as subject to adjustment hereunder, the "*Shares*" and each a "*Share*"). The purchase price of one share of Common Stock under this Warrant shall be equal to the Exercise Price (as defined below). The Exercise Price and the number of Shares to be purchased upon exercise of this Warrant are subject to adjustment as hereinafter provided.

1. Definitions. Unless the context otherwise requires, when used herein the following terms shall have the meanings indicated.

"*Affiliate*" means, as applied to any person, any other person directly or indirectly controlling, controlled by, or under common control with, that person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of that person, whether through the ability to exercise voting power, by contract or otherwise.

Notwithstanding the foregoing, neither the Canyon Lenders nor any of their Affiliates shall be deemed to be an Affiliate of the Company, solely as a result of beneficially owning this Warrant or being a lender under the Loan.

"*Appraisal Procedure*" means a procedure whereby two independent appraisers, one chosen by the Company and one by the Warrantholder (or if there is more than one Warrantholder, a majority in interest of Warrantholders excluding any Warrantholder that is an Affiliate of the Company), shall mutually agree upon the determinations then the subject of appraisal. Each party shall deliver a notice to the other appointing its appraiser within 5 days after the Appraisal Procedure is invoked. If within 15 days after appointment of the two appraisers they are unable to agree upon the amount in question, a third independent appraiser shall be chosen within 5 days thereafter by the mutual consent of such first two appraisers or, if such two first appraisers fail to agree upon the appointment of a third appraiser, such appointment shall be made by the American Arbitration Association, or any organization successor thereto, from a panel of arbitrators having experience in appraisal of the subject matter to be appraised. The decision of the third appraiser so appointed and chosen shall be given within 15 days after the selection of such third appraiser. If three appraisers shall be appointed and the determination of one appraiser is disparate from the middle determination by more than twice the amount by which the other determination is disparate from the middle determination, then the determination of such appraiser shall be excluded, the remaining two determinations shall be averaged and such average shall be binding and conclusive upon the Company and the Warrantholder; otherwise, the average of all three determinations shall be binding upon the Company and the Warrantholder. The costs of conducting any Appraisal Procedure shall be borne by the Company.

"*Board of Directors*" means the board of directors of the Company, including any duly authorized committee thereof provided that each member of such duly authorized committee is an independent director.

"*business day*" means any day except Saturday, Sunday and any day on which banking institutions in the State of New York generally are authorized or required by law or other governmental actions to close.

"*Canyon Lenders*" means Canyon Finance (Cayman) Limited, The Canyon Value Realization Master Fund-X, L.P., Canyon Value Realization Fund, L.P., CBFVEST Holdings LTD., GRFVEST Holdings LTD., Canyon IC Credit Master Fund L.P., Canyon Distressed Opportunity Master Fund III, L.P., Canyon NZ-DOF Investing, L.P., Canyon Distressed TX (A) LLC, Canyon Distressed TX (B) LLC, Canyon-EDOF (Master) L.P., Canyon Blue Credit Investment Fund L.P. and EP Canyon LTD.

"*Capital Stock*" means (A) with respect to any Person that is a corporation or company, any and all shares, interests, participations or other equivalents (however designated) of capital or capital stock of such Person and (B) with respect to any Person that is not a corporation or company, any and all partnership or other equity interests of such Person.

"*Cashless Exercise*" shall have the meaning set forth in Section 4.

"*Change of Control*" means, at any time, the occurrence of any of the following events or circumstances: (i) any "person" or "group" (within the meaning of Section 13(d) of the Exchange Act) shall become the "beneficial owner" (within the meaning of Section 13(d) of the Exchange Act), directly or indirectly, of Capital Stock of the Company representing 40% or more of the total voting power represented by the Company's then outstanding Capital Stock, (ii) the consummation of a merger or consolidation of the Company with or into any other Person, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent at least 40% of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation, or (iii) any direct or indirect sale, transfer or other disposition, in one transaction or a series of related transactions, of all or substantially all of the assets of the Company and its subsidiaries, taken as a whole (it being agreed that the sale, transfer or other disposition by any Person of the Capital Stock of any subsidiary constitutes an indirect sale, transfer or disposition of the assets of such subsidiary).

"*Common Stock*" means the Company's common stock, $0.01 par value per share.

"*Company*" has the meaning set forth in the Preamble.

"*Exchange Act*" means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"*Exercise Price*" means $7.94 (as such price may be adjusted from time to time pursuant to Section 15 hereof).

"*Expiration Time*" has the meaning set forth in the Preamble.

"*Fair Market Value*" means, with respect to any security or other property, the fair market value of such security or other property as determined by the independent members of the Board of Directors, acting in good faith. If the Warrantholder objects in writing to the Board of Directors' calculation of Fair Market Value within 10 days of receipt of written notice thereof and the Warrantholder and the Company are unable to agree on Fair Market Value during the 10-day period following the delivery of the Warrantholder's objection, the Appraisal Procedure shall be invoked to determine Fair Market Value.

"*Governmental Authority*" means all United States and other governmental or regulatory authorities.

"*Issue Date*" has the meaning set forth in the Preamble.

"*Loan*" means a loan made pursuant to the Senior Secured Term Loan Facility Agreement, dated as of May 19, 2020, among the Company, as parent and the borrower, certain subsidiaries of the Company, as subsidiary guarantors, the lenders party thereto, and Cortland Capital Market Services LLC, as administrative agent and collateral agent, contemplating an $600,000,000 Senior Secured Term Loan Facility.

"*Market Price*" means, with respect to a particular security, on any given day, the last reported sale price, regular way, or, in case no such reported sale takes place on such day, the average of the closing bid and asked prices, regular way, in either case on the principal national securities exchange on which the applicable securities are listed or admitted to trading, or if not listed or admitted to trading on any national securities exchange, the last quoted bid price in the over-the-counter market as reported by OTC Markets Group or similar organization. "Market Price" shall be determined without reference to after hours or extended hours trading. If such security is not listed and traded in a manner that the quotations referred to above are available for the period required hereunder, the Market Price per share of Common Stock shall be deemed to be the fair market value per share of such security as determined in good faith by the independent members of the Board of Directors in reliance upon an opinion of a nationally recognized independent investment banking firm retained by the Company for this purpose and reasonably acceptable to the Warrantholder (or if there is more than one Warrantholder, a majority in interest of Warrantholders excluding any Warrantholder that is an Affiliate of the Company). For the purposes of determining the Market Price of the Common Stock on the "trading day" preceding, on or following the occurrence of an event, (i) that trading day shall be deemed to commence immediately after the regular scheduled closing time of trading on the New York Stock Exchange or, if trading is closed at an earlier time, such earlier time and (ii) that trading day shall end at the next regular scheduled closing time, or if trading is closed at an earlier time, such earlier time (for the avoidance of doubt, and as an example, if the Market Price is to be determined as of the last trading day preceding a specified event and the closing time of trading on a particular day is 4:00 p.m. and the specified event occurs at 5:00 p.m. on that day, the Market Price would be determined by reference to such 4:00 p.m. closing price).

"*Ordinary Cash Dividends*" means a regular quarterly cash dividend on shares of Common Stock, *provided* that Ordinary Cash Dividends shall not include any cash dividends paid to the extent the aggregate per share dividends paid on shares of Common Stock in any calendar quarter, when declared, exceeds $0.10 per share, as adjusted for any stock split, stock dividend, reverse stock split, reclassification or similar transaction.

"*Ownership Limitations*" means the limitations on Transfers, Beneficial Ownership and Constructive Ownership (each as defined in the Company's charter) of shares of Capital Stock contained in the Company's charter, as amended from time to time.

"*Person*" means and includes natural persons, corporations, limited partnerships, general partnerships, limited liability companies, limited liability partnerships, joint stock companies, joint ventures, associations, companies, trusts or other organizations, whether or not legal entities, and Governmental Authorities.

"*Per Share Fair Market Value*" has the meaning set forth in Section 15(B).

"*SEC*" means the U.S. Securities and Exchange Commission.

"*Securities Act*" means the Securities Act of 1933, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

"*Share*" or "*Shares*" has the meaning set forth in the Preamble.

"trading day" means (A) if the shares of Common Stock are traded on any national or regional securities exchange or association or over-the-counter market, a business day on which such relevant exchange or quotation system is scheduled to be open for business and on which the shares of Common Stock (i) are not suspended from trading on any national or regional securities exchange or association or over-the-counter market for any period or periods aggregating one half hour or longer; and (ii) have traded at least once on the national or regional securities exchange or association or over-the-counter market that is the primary market for the trading of the shares of Common Stock or (B) if the shares of Common Stock are not traded on any national or regional securities exchange or association or over-the-counter market, a business day.

"*Transfer Agent*" has the meaning set forth in Section 5(A)(i).

"*Warrantholder*" has the meaning set forth in the Preamble.

"*Warrant*" has the meaning set forth in the Preamble.

"*Warrant Share Delivery Date*" has the meaning set forth in Section 5(A)(i).

2. Number of Shares; Exercise Price. The Warrantholder is entitled, upon the terms and subject to the conditions hereinafter set forth, to acquire from the Company, in whole or in part, 9,130,982 fully paid and nonassessable Shares, at a purchase price per Share equal to the Exercise Price. The number of Shares and the Exercise Price are subject to adjustment as provided herein, and all references to "Common Stock," "Shares" and "Exercise Price" herein shall be deemed to include any such adjustment or series of adjustments.

3. Limitation on Shares Deliverable Upon Exercise of Warrant. Notwithstanding anything to the contrary in this Warrant, no Warrantholder shall be entitled to receive Shares upon exercise of this Warrant to the extent (but only to the extent) that such receipt would result in a violation of the Ownership Limitations, unless the Company provides an exemption from the Ownership Limitations as permitted by its charter. Any purported delivery of Shares upon exercise of this Warrant will be void and have no effect to the extent (but only to the extent) that such delivery would result in violation of the Ownership Limitations, unless the Company provides an exemption from the Ownership Limitations as permitted by its charter.

4. Exercise of Warrant; Term . Subject to Section 3, the right to purchase the Shares represented by this Warrant is exercisable, in whole or in part by the Warrantholder, at any time or from time to time after September 19, 2020 but in no event later than the Expiration Time, by (A) the delivery of the Notice of Exercise annexed hereto (including by specifying the manner in which the Exercise Price is to be paid), duly completed and executed on behalf of the Warrantholder, by hand delivery, e-mail or facsimile, at the principal executive office of the Company located at 1345 Avenue of the Americas, 45th

Floor, New York, NY 10105, e-mail: nsantoro@fortress.com (or such other office or agency of the Company in the United States as the Company may designate by notice in writing to the Warrantholder at the address of the Warrantholder appearing on the books of the Company), and (B) payment of the Exercise Price for the Shares thereby purchased at the election of the Warrantholder (i) by tendering in cash, either by certified or cashier's check payable to the order of the Company or by wire transfer of immediately available funds to an account designated by the Company, at the election of the Warrantholder, (ii) so long as the Warrantholder is the holder of a Loan in a principal amount exceeding the aggregate Exercise Price for the Shares, by reduction in principal amount of the Loan held by the Warrantholder in an amount equal to the aggregate Exercise Price for the Shares, (iii) by means of a Cashless Exercise as set forth in the paragraph below, or (iv) by a combination of the foregoing.

The Warrantholder may, in its sole discretion and in lieu of payment of the Exercise Price, elect to exercise all or any part of this Warrant in a "cashless" or "net-issue" exercise (a "*Cashless Exercise*") by delivering to the Company a Notice of Exercise selecting a Cashless Exercise, as a result of which the Warrantholder shall be entitled to receive a number of shares of Common Stock calculated using the following formula:

$$X = \frac{Y * (A - B)}{A}$$

where: X = the number of shares of Common Stock to be issued to the Warrantholder

Y = the number of shares of Common Stock with respect to which the Warrant is being exercised

A = the Market Price of the Common Stock on the last trading day preceding the date of exercise of this Warrant

B = the then-current Exercise Price of the Warrant

Notwithstanding anything in this Warrant to the contrary, the Warrantholder shall not be required to physically surrender this Warrant to the Company in order to exercise all or a portion of this Warrant; provided, however, that if the Warrantholder does not exercise this Warrant in its entirety, the Warrantholder shall promptly following such partial exercise surrender this Warrant to the Company and shall be entitled to receive from the Company within a reasonable time, and in any event not exceeding three business days, a new warrant in substantially identical form for the purchase of that number of Shares equal to the difference between the number of Shares subject to this Warrant and the number of Shares as to which this Warrant was so exercised. When the Warrantholder has purchased all of the Shares available hereunder and this Warrant has been exercised in full, the Warrantholder shall surrender this Warrant to the Company for cancellation within three business days after the date the final Notice of Exercise is

delivered to the Company. Partial exercises of this Warrant resulting in purchases of a portion of the total number of Shares available hereunder shall have the effect of lowering the outstanding number of Shares purchasable hereunder in an amount equal to the applicable number of Shares purchased. The Warrantholder and the Company shall maintain records showing the number of Shares purchased and the date of such purchases. The Company shall inform the Warrantholder if a Notice of Exercise has not been duly completed within one business day of receipt of such notice, but shall not refuse or object to the issuance of the Shares upon receipt of, and pursuant to, a duly completed Notice of Exercise. **The Warrantholder and any assignee, by acceptance of this Warrant, acknowledge and agree that, by reason of the provisions of this paragraph, following the purchase of a portion of the Shares hereunder, the number of Shares available for purchase hereunder at any given time may be less than the amount stated on the face hereof.**

Notwithstanding anything in this Warrant to the contrary, the Warrantholder hereby acknowledges and agrees that its exercise of this Warrant for Shares is subject to the condition that the Warrantholder will have first received, to the extent applicable and required to permit the Warrantholder to exercise this Warrant for shares of Common Stock and to own such Common Stock, the receipt of any necessary approvals and authorizations of, filings and registrations with, notifications to, or expiration or termination of any applicable waiting period under, the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended, and the rules and regulations thereunder.

5. Mechanics of Exercise; Issuance of Shares; Representations, Warranties and Covenants of the Company; Listing.

(A) Mechanics of Exercise.

(i) *Delivery of Certificates and/or Book-Entry Shares Upon Exercise* . Certificates for shares purchased hereunder shall be transmitted by the Company's transfer agent (the "*Transfer Agent*") to the Warrantholder by, at the Warrantholder's request (A) crediting the account of the Warrantholder's prime broker with The Depository Trust Company through its Deposit or Withdrawal at Custodian system if the Company is then a participant in such system, (B) physical delivery to the address specified by the Warrantholder in the Notice of Exercise or (C) by entry on the books of the Company (or the Company's transfer agent, if any), in each case by the date that is two trading days after the later of (1) payment of the Exercise Price as set forth above or (2) the date of a Cashless Exercise, if applicable (such later date, the "*Warrant Share Delivery Date*"). The applicable Shares shall be deemed to have been issued, and the Warrantholder or any other Person so designated to be named therein shall be deemed to have become a holder of record of such shares for all purposes, as of the applicable exercise date or the date that is two trading days following the date of a Cashless Exercise, as applicable. Notwithstanding the foregoing, the Company shall not be required to

deliver shares through the system of The Depositary Trust Company if it determines that pursuant to Section 10 a legend is required to be included on the Shares being delivered.

(ii) *Rescission Rights*. If the Company fails to cause the Transfer Agent to transmit to the Warrantholder a certificate or the certificates representing the Shares pursuant to Section 5(A)(i) by the Warrant Share Delivery Date (other than as a result of any action or inaction of the Warrantholder's prime broker), then the Warrantholder shall have the right to rescind such exercise. Any rescission by the Warrantholder pursuant to this Section 5(A)(ii) shall not affect any other remedies available to the Warrantholder under applicable law or equity as a result of the Company's failure to timely deliver the Shares.

(iii) *Closing of Books*. The Company shall not close its stockholder books or records in any manner which prevents the timely exercise of this Warrant pursuant to the terms hereof.

(B) Conditional Exercise. Notwithstanding any other provision hereof, if an exercise of any portion of this Warrant is to be made in connection with an underwritten public offering or a sale of the Company (pursuant to a merger, sale of stock, or otherwise), such exercise may, at the election of the Warrantholder (set forth in the applicable Notice of Exercise), be conditioned upon the consummation of such transaction, in which case such exercise shall not be deemed to be effective until immediately prior to the consummation of such transaction.

(C) Representations, Warranties and Covenants of the Company. The Company hereby represents, covenants and agrees, as applicable:

(iv) The Company (A) is a corporation duly organized, validly existing and in good standing under the laws of the State of Delaware, (B) has all requisite power and authority to own and operate its properties, to carry on its business as now conducted and as currently proposed to be conducted, to issue and enter into this Warrant and to carry out the transactions contemplated thereby, and (C) except where the failure to do so, individually or in the aggregate, has not had, and could not be reasonably expected to have, a material adverse effect on the business, assets, financial condition or operations of the Company, is qualified to do business and, where applicable is in good standing, in every jurisdiction where such qualification is required.

(v) This Warrant is, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, duly authorized and validly issued. This Warrant constitutes, and any Warrant issued in substitution for or replacement of this Warrant shall be, upon issuance, a legal, valid and binding obligation of the Company, enforceable against the Company in

accordance with its terms, except as enforceability may be limited by applicable bankruptcy, insolvency or other similar laws affecting the enforcement of creditors' rights generally and by general principles of equity.

(vi) The execution, delivery and performance by the Company of this Warrant and any Warrant issued in substitution for or replacement of this Warrant does not and will not (A) violate any material provision of applicable law or the organizational documents of the Company, (B) conflict with, result in a breach of, or constitute (with the giving of any notice, the passage of time, or both) a default under any material agreement of the Company or (C) result in or require the creation or imposition of any lien upon any assets of the Company.

(vii) The Company covenants that, during the period this Warrant is outstanding, it will reserve from its authorized and unissued Common Stock a sufficient number of shares to provide for the issuance of the Shares upon the exercise of any purchase rights represented by this Warrant. The Company further covenants that its issuance of this Warrant shall constitute full authority to its officers who are charged with the duty of executing stock certificates to execute and issue the necessary certificates for the Shares upon the exercise of the purchase rights under this Warrant. The Company shall take all such action as may be necessary or appropriate to assure that such Shares may be issued as provided herein without violation of any applicable law or regulation or any preemptive or similar rights of any equity holder of the Company. The Company shall (A) procure, at its sole expense, the listing of the Shares issuable upon exercise of this Warrant, subject to issuance or notice of issuance, on all principal stock exchanges on which the Common Stock is then listed or traded and (B) maintain such listings of such Shares at all times after issuance.

(viii) The Company covenants that all Shares which may be issued upon the exercise of the purchase rights represented by this Warrant shall, upon exercise of the purchase rights represented by this Warrant and payment for such Shares in accordance herewith, be duly authorized, validly issued, fully paid and nonassessable and free from all taxes, liens and charges (other than liens or charges created by the Warrantholder, except as otherwise provided herein, income and franchise taxes incurred in connection with the exercise of the Warrant or taxes in respect of any transfer occurring contemporaneously therewith)

(ix) Except and to the extent as waived or consented to by the Warrantholder, the Company shall not by any action, including, without limitation, amending its certificate of incorporation or through any reorganization,

transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action, avoid or seek to avoid the observance or performance of any of the terms of this Warrant, but shall at all times in good faith assist in the carrying out of all such terms and in the taking of all such actions as may be necessary or appropriate to protect the rights of the Warrantholder as set forth in this Warrant against impairment. Without limiting the generality of the foregoing, the Company shall (A) not increase the par value of any Shares above the amount payable therefor upon such exercise immediately prior to such increase in par value, (B) take all such action as may be necessary or appropriate in order that the Company may validly and legally issue fully paid and nonassessable Shares upon the exercise of this Warrant, (C) use its reasonable best efforts to obtain all such authorizations, exemptions or consents from any public regulatory body having jurisdiction thereof, as may be, necessary to enable the Company to perform its obligations under this Warrant, and (D) use reasonable best efforts to ensure that the Shares may be issued without violation of any applicable law or regulation or of any requirement of any securities exchange on which the Shares are listed or traded. Notwithstanding the foregoing, nothing in this paragraph shall prevent the Company from repurchasing or otherwise buying back shares of its Common Stock.

(x) Before taking any action which would result in an adjustment in the number of Shares for which this Warrant is exercisable or in the Exercise Price, the Company shall obtain all such authorizations or exemptions thereof, or consents thereto, as may be necessary in order that the Company may validly and legally issue fully paid and non-assessable shares of Common Stock at the Exercise Price as so adjusted.

6. No Fractional Shares. No fractional shares shall be issued upon the exercise of this Warrant. As to any fraction of a Share that the Warrantholder would otherwise be entitled to purchase upon such exercise, the Company shall, at the Company's election, either (A) pay to such Warrantholder an amount in cash (by delivery of a certified or official bank check or by wire transfer of immediately available funds) equal to the product of (1) such fraction multiplied by (2) the Market Price of one Share on the exercise date or the date of Cashless Exercise, as applicable, or (B) round up to the next whole share.

7. No Rights as Stockholders; Transfer Books. This Warrant does not entitle the Warrantholder to any voting rights or other rights as a stockholder of the Company prior to the date of exercise hereof. The Company will at no time close its transfer books against transfer of this Warrant in any manner which interferes with the timely exercise of this Warrant.

8. Charges, Taxes and Expenses. Issuance of certificates for Shares to the Warrantholder upon the exercise of this Warrant shall be made without charge to the Warrantholder for

any issue or transfer tax or other incidental expense in respect of the issuance of such certificates, all of which taxes and expenses shall be paid by the Company.

9. Accredited Investor. The Warrantholder acknowledges that the Warrant and the Shares issuable upon exercise have not been registered under the Securities Act or under any state securities laws. The Warrantholder expressly warrants that it (i) is acquiring the Warrant (and any Shares issuable upon exercise) pursuant to an exemption from registration under the Securities Act solely for investment with no present intention to distribute the Warrant (or any Shares issuable upon exercise) to any person in violation of the Securities Act or any applicable U.S. state securities laws, (ii) will not sell or otherwise dispose of any of the Warrant (or any Shares issuable upon exercise), except in compliance with the registration requirements or exemption provisions of the Securities Act and any applicable U.S. state securities laws, (iii) has such knowledge and experience in financial and business matters and in investments of this type that it is capable of evaluating the merits and risks and of making an informed investment decision, and has conducted a review of the business and affairs of the Company that it considers sufficient and reasonable, (iv) is able to bear the economic risk and at the present time is able to afford a complete loss of such investment and (v) is an "accredited investor" (as that term is defined by Rule 501 under the Securities Act).

10. Transfer/Assignment.

(A) Subject to compliance with clauses (B) and (C) of this Section 10, this Warrant and all rights hereunder are transferable, in whole or in part, upon the books of the Company by the registered holder hereof in person or by duly authorized attorney, and a new warrant shall be made and delivered by the Company, of the same tenor and date as this Warrant but registered in the name of one or more transferees, upon surrender of this Warrant, duly endorsed, to the office or agency of the Company described in Section 4. All expenses (other than stock transfer taxes) and other charges payable in connection with the preparation, execution and delivery of the new warrants pursuant to this Section 10 shall be paid by the Company.

(B) This Warrant shall not be transferrable prior to September 19, 2020; *provided* that prior to such date, (i) if the Warrantholder sells, assigns, transfers or grants a participation in all or a portion of its rights and obligations under a Loan, the Warrantholder shall be permitted to transfer a pro rata portion of this Warrant together with such sale, assignment, transfer or participation, (ii) the Warrantholder shall be permitted to transfer all or a portion of this Warrant to any of its Affiliates, any initial lender under the Loan or any Affiliate of such an initial lender.

(C) If and for so long as the Warrant has not been registered under the Securities Act, this Warrant Certificate shall contain a legend as set forth in the first paragraph of the legend set forth on the first page of this Warrant. A similar legend will be

included on any Shares issuable upon exercise of the Warrant under similar circumstances.

11. Exchange and Registry of Warrant. This Warrant is exchangeable, upon the surrender hereof by the Warrantholder to the Company, for a new warrant or warrants of like tenor and representing the right to purchase the same aggregate number of Shares. The Company shall maintain a registry showing the name and address of the Warrantholder as the registered holder of this Warrant. This Warrant may be surrendered for exchange or exercise, in accordance with its terms, at the office of the Company, and the Company shall be entitled to rely in all respects, prior to written notice to the contrary, upon such registry.

12. Loss, Theft, Destruction or Mutilation of Warrant. Upon receipt by the Company of evidence reasonably satisfactory to it of the loss, theft, destruction or mutilation of this Warrant, and in the case of any such loss, theft or destruction, upon receipt of a bond, indemnity or security reasonably satisfactory to the Company, or, in the case of any such mutilation, upon surrender and cancellation of this Warrant, the Company shall make and deliver, in lieu of such lost, stolen, destroyed or mutilated Warrant, a new Warrant of like tenor and representing the right to purchase the same aggregate number of Shares as provided for in such lost, stolen, destroyed or mutilated Warrant.

13. Saturdays, Sundays, Holidays, etc. If the last or appointed day for the taking of any action or the expiration of any right required or granted herein shall not be a business day, then such action may be taken or such right may be exercised on the next succeeding day that is a business day.

14. Rule 144 Information. The Company covenants that it shall use its reasonable best efforts to timely file all reports and other documents required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations promulgated by the SEC thereunder (or, if the Company is not required to file such reports, it will, upon the request of any Warrantholder, make publicly available such information as necessary to permit sales pursuant to Rule 144 or Regulation S under the Securities Act), and it shall use reasonable best efforts to take such further action as any Warrantholder may reasonably request, in each case to the extent required from time to time to enable such holder to, if permitted by the terms of this Warrant, sell this Warrant without registration under the Securities Act within the limitation of the exemptions provided by (A) Rule 144 or Regulation S under the Securities Act, as such rules may be amended from time to time, or (B) any successor rule or regulation hereafter adopted by the SEC. Upon the written request of any Warrantholder, the Company will deliver to such Warrantholder a written statement that it has complied with such requirements.

15. Adjustments and Other Rights. Subject in each case to Section 15(J), the Exercise Price and the number of Shares issuable upon exercise of this Warrant shall be subject to adjustment from time to time as follows; *provided*, that if more than one subsection of this Section 15 is applicable to a single event, the subsection shall be applied that

produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of this Section 15 so as to result in duplication:

(A) Stock Splits, Subdivisions, Reclassifications or Combinations. If the Company shall (i) declare and pay a dividend or otherwise make a distribution on its Common Stock payable in shares of Common Stock (which, for avoidance of doubt, shall not include any shares of Common Stock issued by the Company upon exercise of this Warrant), (ii) subdivide (by any stock split, recapitalization or otherwise) the outstanding shares of Common Stock into a greater number of shares, or (iii) combine (including by way of reverse stock split) or reclassify the outstanding shares of Common Stock into a smaller number of shares, the number of Shares issuable upon exercise of this Warrant at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be proportionately adjusted so that the Warrantholder after such date shall be entitled to purchase the number of shares of Common Stock which such holder would have owned or been entitled to receive in respect of the shares of Common Stock subject to this Warrant after such date had this Warrant been exercised immediately prior to such date. In such event, the Exercise Price in effect at the time of the record date for such dividend or distribution or the effective date of such subdivision, combination or reclassification shall be adjusted to the number obtained by dividing (x) the product of (1) the number of Shares issuable upon the exercise of this Warrant before such adjustment and (2) the Exercise Price in effect immediately prior to the record or effective date, as the case may be, for the dividend, distribution, subdivision, combination or reclassification giving rise to this adjustment by (y) the new number of Shares issuable upon exercise of the Warrant determined pursuant to the immediately preceding sentence. Any adjustment made pursuant to this Section 15(A) shall, in the case of a dividend or distribution, become effective immediately after the record date for the determination of stockholders entitled to receive such dividend or distribution, and, in the case of a subdivision, combination or re-classification, become effective immediately after the effective date of such subdivision, combination or re-classification.

(B) Other Distributions. In case the Company shall fix a record date for the making of a distribution to any or all holders of shares of its Common Stock of securities, evidences of indebtedness, assets, cash, rights, warrants or other property (excluding Ordinary Cash Dividends and other dividends or distributions referred to in Section 15(A)), in each such case, the Exercise Price in effect prior to such record date shall be reduced immediately thereafter to the price determined by multiplying the Exercise Price in effect immediately prior to the reduction by the quotient of (x) the Market Price of the Common Stock on the last trading day preceding the first date on which the Common Stock trades regular way on the principal national securities exchange on which the Common Stock is listed or admitted to trading without the right to receive such distribution, minus the amount of cash and/or the Fair Market Value of the securities, evidences of

indebtedness, assets, rights, warrants or other property to be so distributed in respect of one share of Common Stock (such amount and/or Fair Market Value, the "*Per Share Fair Market Value*") divided by (y) such Market Price on such date specified in clause (x); such adjustment shall be made successively whenever such a record date is fixed. In such event, the number of Shares issuable upon the exercise of this Warrant shall be increased to the number obtained by dividing (x) the product of (1) the number of Shares issuable upon the exercise of this Warrant before such adjustment, and (2) the Exercise Price in effect immediately prior to the distribution giving rise to this adjustment by (y) the new Exercise Price determined in accordance with the immediately preceding sentence. In the case of adjustment for a cash dividend that is, or is coincident with, a regular quarterly cash dividend, the Per Share Fair Market Value would be reduced by the per share amount of the portion of the cash dividend that would constitute an Ordinary Cash Dividend. In the event that such distribution is not so made, the Exercise Price and the number of Shares issuable upon exercise of this Warrant then in effect shall be readjusted, effective as of the date when the Board of Directors determines not to distribute such shares, evidences of indebtedness, assets, rights, cash, warrants or other property, as the case may be, to the Exercise Price that would then be in effect and the number of Shares that would then be issuable upon exercise of this Warrant if such record date had not been fixed.

(C) Adjustments Upon Reorganization, Reclassification, Consolidation or Merger. In the event of any (i) capital reorganization of the Company, (ii) reclassification of the stock of the Company (other than a reclassification of Common Stock referred to in Section 15(A)), (iii) consolidation or merger of the Company with or into another Person, (iv) sale of all or substantially all of the Company's assets to another Person or (v) other similar transaction (other than any such transaction covered by Section 15(A)) in each case which entitles the holders of Common Stock to receive (either directly or upon subsequent liquidation) stock, securities or property with respect to or in exchange for Common Stock, each Warrant shall, immediately after such reorganization, reclassification, consolidation, merger, sale or similar transaction, remain outstanding and shall thereafter, in lieu of or in addition to (as the case may be) the number of Shares then exercisable under this Warrant, be exercisable for the kind and number of shares of stock or other securities or property of the Company or of the successor Person resulting from such transaction to which the Warrantholder would have been entitled upon such reorganization, reclassification, consolidation, merger, sale or similar transaction if the Warrantholder had exercised this Warrant in full immediately prior to the time of such reorganization, reclassification, consolidation, merger, sale or similar transaction and acquired the applicable number of Shares then issuable hereunder as a result of such exercise (without taking into account any limitations or restrictions on the exercisability of this Warrant); and, in such case, appropriate adjustment shall be made with respect to the Warrantholder's rights under this Warrant to insure that the provisions of this Section 15 shall thereafter be applicable, as nearly as possible, to this Warrant in relation to any shares of stock,

securities or property thereafter acquirable upon exercise of this Warrant. In determining the kind and amount of stock, securities or property receivable upon exercise of this Warrant following the consummation of such transaction, if the holders of Common Stock have the right to elect the kind or amount of consideration receivable upon consummation of such transaction, then the Warrantholder shall have the right to make a similar election (including, without limitation, being subject to similar proration constraints) upon exercise of this Warrant with respect to the number of shares of stock or other securities or property which the Warrantholder will receive upon exercise of this Warrant. The provisions of this Section 15(A) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or similar transactions. Prior to the consummation thereof, the successor Person (if other than the Company) resulting from such reorganization, reclassification, consolidation, merger, sale or similar transaction, shall assume, by written instrument substantially similar in form and substance to this Warrant, the obligation to deliver to the Warrantholder such shares of stock, securities or property which, in accordance with the foregoing provisions, such Warrantholder shall be entitled to receive upon exercise of this Warrant.

(D) Rounding of Calculations; Minimum Adjustments. All calculations under this Section 15 shall be made to the nearest one-tenth (1/10th) of a cent or to the nearest one-hundredth (1/100th) of a share, as the case may be. Any provision of this Section 15 to the contrary notwithstanding, no adjustment in the Exercise Price or the number of Shares into which this Warrant is exercisable shall be made if the amount of such adjustment would be less than $0.01 or one-tenth (1/10th) of a share of Common Stock, but any such amount shall be carried forward and an adjustment with respect thereto shall be made at the time of and together with any subsequent adjustment which, together with such amount and any other amount or amounts so carried forward, shall aggregate $0.01 or 1/10th of a share of Common Stock, or more.

(E) Timing of Issuance of Additional Common Stock Upon Certain Adjustments. In any case in which the provisions of this Section 15 shall require that an adjustment shall become effective immediately after a record date for an event, the Company may defer until the occurrence of such event (i) issuing to the Warrantholder of this Warrant exercised after such record date and before the occurrence of such event the additional shares of Common Stock issuable upon such exercise by reason of the adjustment required by such event over and above the shares of Common Stock issuable upon such exercise before giving effect to such adjustment and (ii) paying to such Warrantholder any amount of cash in lieu of a fractional share of Common Stock; *provided*, *however*, that the Company upon request shall deliver to such Warrantholder a due bill or other appropriate instrument evidencing such Warrantholder's right to receive such additional shares, and such cash, upon the occurrence of the event requiring such adjustment.

(F) Notice to the Warrantholder.

(i) *Adjustment to Exercise Price*. Whenever the Exercise Price is adjusted pursuant to any provision of this Section 15, the Company shall promptly compute such adjustment, in good faith, in accordance with the terms of this Warrant, and prepare a certificate setting forth such adjustment, including (A) a statement of the adjusted Exercise Price and adjusted number or type of Shares or other securities or property issuable upon exercise of this Warrant (as applicable), (B) in the case of adjustment pursuant to Section 15(B), a statement of the portion of assets or evidences of indebtedness so distributed or such subscription rights applicable to one share of Common Stock, and setting forth a brief statement of the facts requiring such adjustment and certifying the calculation thereof, and (C) the amount of withholding taxes, if any, that would be payable by the Company as a result of the adjustment, as described in Section 15(J). The Company shall deliver a copy of each such certificate to the Warrantholder as promptly as reasonably practicable following any adjustment of the Exercise Price, but in any event not later than ten business days thereafter.

(ii) *Notice to Allow Exercise by the Warrantholder*. If (A) the Company shall declare a dividend (or any other distribution in whatever form) on the Common Stock, (B) the Company shall declare a special or nonrecurring cash dividend on or a redemption of the Common Stock, (C) the Company shall authorize the granting to all holders of the Common Stock or rights or warrants to subscribe for or purchase any shares of capital stock of any class or of any rights of the Company, (D) the Company enters into or becomes bound by an agreement in connection with a Change of Control or (E) the Company shall authorize the voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Company, then, in each case (other than in the case of an Ordinary Cash Dividend), the Company shall cause to be mailed to the Warrantholder at the address appearing in the Company's records, at least 10 business days prior to the applicable record or effective date hereinafter specified, a notice stating (x) the date on which a record is to be taken for the purpose of such dividend, distribution, redemption, rights or warrants, or if a record is not to be taken, the date as of which the holders of the Common Stock of record to be entitled to such dividend, distribution, redemption, rights or warrants are to be determined or (y) the date on which such Change of Control is expected to become effective or close, and the date as of which it is expected that holders of the Common Stock of record shall be entitled to exchange their shares of Common Stock for securities, cash or other property deliverable upon such Change of Control; *provided* that the failure to mail such notice or any defect therein or in the mailing thereof shall not affect the validity of the corporate action required to be specified in such notice. The Warrantholder shall remain entitled to exercise this

Warrant during the period commencing on the date of such notice to the effective date of the event triggering such notice except as may otherwise be expressly set forth herein. Except as otherwise prohibited by applicable laws, to the extent that any notice provided pursuant to this Section 15(F)(ii) contains material, non-public information regarding the Company, the Company shall disclose such information regarding the Company in a Current Report on Form 8-K and file such Current Report on Form 8-K with the SEC no later than the business day following the date such notice is delivered to the Warrantholder.

(G) Statement Regarding Adjustments. Whenever the Exercise Price or the number of Shares into which this Warrant is exercisable shall be adjusted as provided in Section 15, the Company shall forthwith file at the principal office of the Company a statement showing in reasonable detail the facts requiring such adjustment and the Exercise Price that shall be in effect and the number of Shares into which this Warrant shall be exercisable after such adjustment, and the Company shall also cause a copy of such statement to be sent by mail, first class postage prepaid, to each Warrantholder at the address appearing in the Company's records.

(H) Proceedings Prior to Any Action Requiring Adjustment. As a condition precedent to the taking of any action which would require an adjustment pursuant to this Section 15, the Company shall take any action which may be necessary, including obtaining regulatory, New York Stock Exchange or other applicable national securities exchange or stockholder approvals or exemptions, in order that the Company may thereafter validly and legally issue as fully paid and nonassessable all shares of Common Stock that the Warrantholder is entitled to receive upon exercise of this Warrant pursuant to this Section 15.

(I) Adjustment Rules. Any adjustments pursuant to this Section 15 shall be made successively whenever an event referred to herein shall occur. If an adjustment in Exercise Price made hereunder would reduce the Exercise Price to an amount below par value of the Common Stock, then such adjustment in Exercise Price made hereunder shall reduce the Exercise Price to the par value of the Common Stock.

(J) Withholding. The Warrantholder shall indemnify the Company for any liability for withholding tax on any constructive dividends for tax purposes resulting from an adjustment described in this Section 15. Promptly following Warrantholder's receipt of the notice described in Section 15(F)(i), Warrantholder shall remit to the Company the full amount of such withholding taxes (or evidence reasonably satisfactory to the Company that a reduced amount of withholding shall apply, together with payment of the reduced amount). Notwithstanding anything to the contrary in this Section 15, the adjustments to the Exercise Price described in this Section 15 shall not be effective until the Warrantholder has complied with its

obligations pursuant to the preceding sentence. This Section 15(J) shall survive the Exercise, lapse, transfer, or termination of this Warrant. If there is more than one permissible method to determine the amount of the constructive dividend for tax purposes, the Company will select the method that results in the lowest constructive dividend amount.

16. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State. Each of the parties hereto agrees (a) to submit to the exclusive personal jurisdiction of the State or Federal courts in the Borough of Manhattan, The City of New York, (b) that exclusive jurisdiction and venue shall lie in the State or Federal courts in the State of New York, and (c) that notice may be served upon such party at the address and in the manner set forth for such party in Section 19 hereof. TO THE EXTENT PERMITTED BY APPLICABLE LAW, EACH OF THE PARTIES HERETO HEREBY UNCONDITIONALLY WAIVES TRIAL BY JURY IN ANY LEGAL ACTION OR PROCEEDING RELATING TO THIS WARRANT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

17. Binding Effect. Subject to applicable securities laws, this Warrant and the rights and obligations evidenced hereby shall be binding upon and inure to the benefit of the parties hereto and their respective the successors and permitted assigns. The provisions of this Warrant are intended to be for the benefit of the Warrantholder from time to time of this Warrant and shall be enforceable by the Warrantholder or holder of Shares.

18. Amendments. This Warrant may be amended and the observance of any term of this Warrant may be waived only with the written consent of the Company and the Warrantholder.

19. Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other shall be in writing and shall be deemed to have been given when delivered in person or by courier service and signed for against receipt thereof, upon receipt of facsimile, or three business days after depositing it in the United States mail with postage prepaid and properly addressed.

Notices and other communications hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites). Notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause of notification that such notice or communication is available and identifying the website address therefor

All notices hereunder shall be delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice.

If to the Company, to:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, NY 10105
Attention: Nicola Santoro, Jr.
Telephone: (212) 798-6100
Email: nsantoro@fortress.com

With a copy to:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: Jonathan Grebinar
Phone: 212-798-6100
Email: jgrebinar@fortress.com

With a copy to:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: Varun Wadhawan
Phone: 212-798-6100
Email: vwadhawan@fortress.com

With a copy to (which copy alone shall not constitute notice):

Skadden, Arps, Slate, Meagher and Flom LLP
One Manhattan West
New York, New York 10001
Attn: Michael Zeidel and Michael Schwartz
Telephone: (212) 735 3259 and (212) 735 3694
Fax: (917) 777 3259 and (917) 777 3694
Email: Michael.Zeidel@skadden.com and Michael.Schwartz@skadden.com

If to the Warrantholder, to the address (or facsimile number or e-mail) set forth on Schedule A hereto;

With a copy to:

Fortress Credit Advisors LLC
One Market Plaza, Spear Tower, 42nd Flr
San Francisco, CA 94105
Attention: Mario Rivera
Email: MRivera@fortress.com

18. Limitation of Liability. No provision hereof, in the absence of any affirmative action by the Warrantholder to exercise this Warrant to purchase Shares, and no enumeration herein of the rights or privileges of the Warrantholder, shall give rise to any liability of the Warrantholder for the purchase price of any Common Stock or as a stockholder of the Company, whether such liability is asserted by the Company or by creditors of the Company.

19. Remedies. The Warrantholder, in addition to being entitled to exercise all rights granted by law, including recovery of damages, will be entitled to specific performance of its rights under this Warrant. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Warrant and hereby agrees to waive and not to assert the defense in any action for specific performance that a remedy at law would be adequate.

20. Severability. Any provision of this Warrant held to be invalid, illegal or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such invalidity, illegality or unenforceability without affecting the validity, legality and enforceability of the remaining provisions hereof, and the invalidity of a particular provision in a particular jurisdiction shall not invalidate such provision in any other jurisdiction.

21. Entire Agreement. This Warrant and the forms attached hereto, contain the entire agreement between the parties with respect to the subject matter hereof and supersede all prior and contemporaneous arrangements or undertakings with respect thereto.

[*Remainder of page intentionally left blank*]

[Form of Notice of Exercise**]**

Date: _____

TO: New Residential Investment Corp.

RE: Election to Purchase Common Stock

The undersigned, pursuant to the provisions set forth in the attached Warrant, hereby agrees to subscribe for and purchase the number of shares of the Common Stock set forth below covered by such Warrant. The undersigned, in accordance with Section 2 of the Warrant, hereby agrees to pay the aggregate Exercise Price for such shares of Common Stock by means of the manner specified below. In the event that the undersigned desires to use a combination of such methods, such intent should be described in detail below. A new warrant evidencing the remaining shares of Common Stock covered by such Warrant, but not yet subscribed for and purchased, if any, should be issued in the name set forth below.

Number of Shares of Common Stock: _____

Aggregate Exercise Price: _____

Cash Payment:☐ _____

Reduction in Principal Amount of Loan:☐ _____

Cashless Exercise:☐ _____

Conditional Exercise:☐ _____

Method of Delivery: ☐ Book Entry

☐ Certificated

☐ Electronic

If to Prime Broker please provide Prime Broker account information:

_____

Warrantholder:
By:
Name:
Title:

IN WITNESS WHEREOF, the Company has caused this Warrant to be duly executed by a duly authorized officer.

Dated: May 19, 2020

New Residential Investment Corp.

By: _

Name:
Title:

[Signature Page to Warrant]

Schedule A

Fortress Credit Advisors LLC
1345 Avenue of the Americas, 46th Flr
New York, NY 10105
Attention: GC Credit
Email: gccredit@fortress.com

Exhibit 10.63

[Execution Version]

REGISTRATION RIGHTS AGREEMENT

by and among

New Residential Investment Corp.

and

The Investors Set Forth on Schedule I Hereto

Dated as of May 19, 2020

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THIS REGISTRATION RIGHTS AGREEMENT (this "Agreement"), is made and entered into as of May 19, 2020, by and among New Residential Investment Corp., a Delaware corporation (the "Company"), and each of the investors set forth on Schedule I hereto (the "Investors", and each an "Investor").

WHEREAS, the Company has issued, or has agreed to issue, to each Investor a warrant (collectively, the "Warrants", and each a "Warrant") to purchase shares of its common stock, par value $0.01 per share (the "Common Stock"), subject to adjustment as provided in the Warrants;

WHEREAS, in connection with the issuance of the Warrants, the parties desire to enter into this Agreement in order to create certain registration rights for the Investors as set forth below;

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and other good and valid consideration, the receipt and sufficiency of which are hereby acknowledged, the parties to this Agreement hereby agree as follows:

Section 1. Certain Definitions. In addition to the terms defined elsewhere in this Agreement, the following terms shall have the following meanings:

"Affiliate" means, as applied to any Person, any other Person directly or indirectly controlling, controlled by, or under common control with, that Person. For the purposes of this definition, "control" (including, with correlative meanings, the terms "controlling," "controlled by" and "under common control with"), as applied to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of that Person, whether through the ability to exercise voting power, by contract or otherwise.

"Agreement" means this Registration Rights Agreement, including all amendments, modifications and supplements and any exhibits or schedules to any of the foregoing, and shall refer to this Registration Rights Agreement as the same may be in effect at the time such reference becomes operative.

"beneficially own" shall be determined in accordance with Rules 13d-3 and 13d-5 under the Exchange Act; "beneficial owner" and "beneficially own" shall have conforming definitions.

"Block Trade" shall mean the disposition of Common Stock pursuant to a "block" trade or "overnight" deal. For purposes of clarity, a "block" trade or "overnight" deal means a registered securities offering in which an underwriter agrees to purchase the Common Stock at an agreed price or pricing formula without a prior marketing process.

"Common Stock" has the meaning set forth in the first Recital hereto.

"Company" has the meaning set forth in the introductory paragraph.

"Demand" has the meaning set forth in Section 2(a).

"Demand Registration" has the meaning set forth in Section 2(a).

"Demand Registration Statement" has the meaning set forth in Section 2(a).

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"Exercise Shares" means the shares of Common Stock acquired by an Investor upon exercise of a Warrant.

"FINRA" means the Financial Industry Regulatory Authority, Inc. or any successor organization.

"Form S-3" means a registration statement on Form S-3 under the Securities Act or such successor forms thereto permitting registration of securities under the Securities Act.

"Governmental Entity" means all United States and other governmental or regulatory authorities.

"Investor" or "Investors" has the meaning set forth in the introductory paragraph; provided that if any Permitted Transferee succeeds to the rights and obligations of such Investor or Investors hereunder in accordance with Section 11, "Investor" or "Investors" shall also mean such Permitted Transferees.

"Minimum Amount" means $50,000,000.

"Permitted Transferee" means any transferee of a Warrant in accordance with Section 11.

"Person" means any individual, sole proprietorship, partnership, limited liability company, joint venture, trust, incorporated organization, association, corporation, institution, public benefit corporation, Governmental Entity or any other entity.

"Piggyback Registration" has the meaning set forth in Section 3(a).

"Prospectus" means the prospectus or prospectuses (whether preliminary or final) included in any Registration Statement and relating to the terms of the offering of any portion of Registrable Shares, as amended or supplemented and including all material incorporated by reference in such prospectus or prospectuses.

"Registrable Shares" means, at any time, with respect to a particular investor (i) the Exercise Shares, and (ii) any securities issued by the Company after the date hereof in respect of the Exercise Shares by way of a share dividend or share split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization, but excluding (I) any and all Exercise Shares and other securities held by such Investor referred to in clauses (i) and (ii) that at any time after the date hereof (a) have been sold pursuant to an effective registration statement or Rule 144 under the Securities Act, (b) are eligible for resale by such Investor pursuant to Rule 144 under the Securities Act without limitation thereunder on volume or manner of sale when such Investor is no longer entitled to further Demand Registrations under Section 2(b) hereof and such Registrable Shares represent beneficial ownership of less than 1.0% of the outstanding Common Stock, (c) are not outstanding or (d) have been transferred in violation of Section 10 hereof or the

provisions of the applicable Warrant or to a Person that does not become an Investor pursuant to Section 11 hereof (or any combination of clauses (a), (b), (c) and (d)). It is understood and agreed that, once a security of the kind described in clause (i) or (ii) above becomes a security of the kind described in clause (I) above, such security shall cease to be a Registrable Share for all purposes of this Agreement and the Company's obligations regarding Registrable Shares hereunder shall cease to apply with respect to such security.

"Registration Expenses" has the meaning set forth in Section 8(a).

"Registration Statement" means any registration statement of the Company which covers any of the Registrable Shares pursuant to the provisions of this Agreement, including the Prospectus, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all documents incorporated by reference in such Registration Statement.

"S-3 Shelf Registration" has the meaning set forth in Section 4(a).

"S-3 Shelf Registration Statement" has the meaning set forth in Section 4(a).

"SEC" means the Securities and Exchange Commission or any successor agency.

"Securities Act" means the Securities Act of 1933, as amended.

"Shares" means any shares of Common Stock. If at any time Registrable Shares include securities of the Company other than Common Stock, then, when referring to Shares other than Registrable Shares, "Shares" shall include the class or classes of such other securities of the Company.

"Shelf Takedown" has the meaning set forth in Section 4(b).

"Suspension Period" has the meaning set forth in Section 5.

"Termination Date" means with respect to a particular Investor the first date on which such Investor no longer owns any Registrable Shares or such Investor is no longer an "Investor".

"underwritten offering" means a registered offering in which securities of the Company are sold to one or more underwriters on a firm-commitment basis for reoffering to the public, and "underwritten Shelf Takedown" means an underwritten offering effected pursuant to an S-3 Shelf Registration.

"Warrant" or "Warrants" have the meaning set forth in the first Recital hereto.

In addition to the above definitions, unless the context requires otherwise:

(i) any reference to any statute, regulation, rule or form as of any time shall mean such statute, regulation, rule or form as amended or modified and shall also include any successor statute, regulation, rule or form from time to time;

(ii) "including" shall be construed as inclusive without limitation, in each case notwithstanding the absence of any express statement to such effect, or the presence of such express statement in some contexts and not in others;

(iii) references to "Section" are references to Sections of this Agreement;

(iv) words such as "herein", "hereof", "hereinafter" and "hereby" when used in this Agreement refer to this Agreement as a whole;

(v) references to "business day" mean any day except Saturday, Sunday and any day which shall be a legal holiday or a day on which banking institutions in the State of New York generally are authorized or required by law or other governmental action to close; and

(vi) the symbol "$" means U.S. dollars.

Section 2. Demand Registration.

(a) Right to Request Registration. Subject to the provisions hereof, until the applicable Termination Date, each Investor or any group of Investors may at any time request in writing (a "Demand") registration for resale under the Securities Act of all or part of the Registrable Shares separate from an S-3 Shelf Registration (a "Demand Registration"); provided, however, that (based on the then-current market prices) the number of Registrable Shares included in the Demand Registration would, if fully sold, reasonably be expected to yield gross proceeds to such Investor(s) of at least the Minimum Amount. Within seven days after receipt of a Demand, the Company shall give written notice of such Demand to any other Person that on the date a Demand is delivered to the Company is an Investor. Subject to Section 2(c), the Company shall include in the Demand Registration covered by such Demand all Registrable Shares with respect to which the Company has received a written request for inclusion therein within three business days after receipt of such written notice. Subject to Section 2(d) and Sections 5 and 7 below, the Company shall use reasonable best efforts (i) to file a Registration Statement registering for resale such number of Registrable Shares as requested to be so registered pursuant to this Section 2(a) (a "Demand Registration Statement") within 45 days after such Investor(s)' request therefor and (ii) if necessary, to cause such Demand Registration Statement to be declared effective by the SEC as soon as practical thereafter. If permitted under the Securities Act, such Registration Statement shall be one that is automatically effective upon filing.

(b) Number of Demand Registrations. Subject to the limitations of Sections 2(a), 2(d) and 4(a), the Investors shall be entitled to request up to three Demand Registrations in the aggregate (regardless of the number of Permitted Transferees who may become an Investor pursuant to Section 11). A Registration Statement shall not count as a permitted Demand Registration unless and until it has become effective, unless the Investor(s) elect to have such Registration Statement count as a Demand Registration pursuant to Section 8(b) hereof. Notwithstanding anything to the contrary contained in this Agreement, the aggregate number of Demand Registrations, underwritten offerings and underwritten Shelf Takedowns shall not exceed four in total.

(c) Priority on Demand Registrations. The Company may include Shares other than Registrable Shares in a Demand Registration for any accounts (including for the account of the Company) on the terms provided below; and if such Demand Registration is an underwritten offering, such Shares may be included only with the consent of the managing underwriters of such offering. If the managing underwriters of the requested Demand Registration advise the Company and the Investor(s) requesting such Demand Registration that in their opinion the number of Shares proposed to be included in the Demand Registration exceeds the number of Shares which can be sold in such underwritten offering without materially delaying or jeopardizing the success of the offering (including the price per share of the Shares proposed to be sold in such underwritten offering), the Company shall include in such Demand Registration (i) first, the number of Registrable Shares requested to be included therein by the Investor(s) pursuant to clause 2(a) above pro rata among all such Investors on the basis of the number of Shares requested to be included therein, and (ii) second, the number of Shares proposed to be included therein by any other Persons (including Shares to be sold for the account of the Company) allocated among such Persons in such manner as the Company may determine. If the number of Shares which can be sold is less than the number of Shares proposed to be registered pursuant to clause (i) above by such Investor(s), the amount of Shares to be sold shall be allocated pro rata among such Investor(s).

(d) Restrictions on Demand Registrations. No Investor shall be entitled to request a Demand Registration (i) within three months after any Investor has sold Shares in a Demand Registration or an underwritten Shelf Takedown requested pursuant to Section 4(b), (ii) within three months after any primary or secondary offering of Shares by the Company, including a Block Trade or (iii) at any time when the Company is diligently pursuing (x) a primary or secondary underwritten offering of Shares pursuant to a registration statement (but only if the Investors are provided their piggyback rights, if any, in accordance with Sections 3(a) and 3(c)) or (y) a Block Trade. Notwithstanding the foregoing, the Company shall not be obligated to proceed with a Demand Registration if the offering to be effected pursuant to such registration can be effected pursuant to an S-3 Shelf Registration and the Company, in accordance with Section 4, effects or has effected an S-3 Shelf Registration pursuant to which such offering can be effected.

(e) Underwritten Offerings. An Investor or group of Investors shall be entitled to request an underwritten offering pursuant to a Demand Registration, but only if the number of Registrable Shares to be sold in the offering would reasonably be expected to yield gross proceeds to such Investor(s) of at least the Minimum Amount (based on then-current market prices) and only if the request is not made within three months after any Investor has sold Shares in an underwritten offering pursuant to (i) a Demand Registration or (ii) an S-3 Shelf Registration. If any of the Registrable Shares covered by a Demand Registration are to be sold in an underwritten offering, the Company shall have the right to select the managing underwriter or underwriters to lead the offering.

(f) Effective Period of Demand Registrations. Upon the date of effectiveness of any Demand Registration for an underwritten offering and if such offering is priced promptly on or after such date, the Company shall use reasonable best efforts to keep such Demand Registration Statement effective for a period equal to 60 days from such date or such shorter period which shall terminate when all of the Registrable Shares covered by such Demand Registration have been sold. If the Company shall withdraw any Demand Registration pursuant to Section 5 before such 60 days end and before all of the Registrable Shares covered by such Demand

before such 60 days and not before all of the Registrable Shares covered by such Demand

Registration have been sold pursuant thereto, the Investor(s) whose Registrable Shares were included therein and not sold shall be entitled to a replacement Demand Registration which shall be subject to all of the provisions of this Agreement. A Demand Registration shall not count against the limit on the number of such registrations set forth in Section 2(b) if (i) after the applicable Registration Statement has become effective, such Registration Statement or the related offer, sale or distribution of Registrable Shares thereunder becomes the subject of any stop order, injunction or other order or restriction imposed by the SEC or any other governmental agency or court for any reason not attributable to the Investor or their Affiliates (other than the Company and its controlled Affiliates) and such interference is not thereafter eliminated so as to permit the completion of the contemplated distribution of Registrable Shares or (ii) in the case of an underwritten offering, the conditions specified in the related underwriting agreement, if any, are not satisfied or waived for any reason not attributable to the Investor or their Affiliates (other than the Company and its controlled Affiliates), and as a result of any such circumstances described in clause (i) or (ii), less than 75% of the Registrable Shares covered by the Registration Statement are sold by the Investor(s) pursuant to such Registration Statement.

Section 3. Piggyback Registrations.

(a) Right to Piggyback. Whenever prior to the applicable Termination Date the Company proposes to register any Shares under the Securities Act (other than on a registration statement on Form S-8, F-8, S-4 or F-4), whether for its own account or for the account of one or more holders of Shares (other than the Investors), and the form of registration statement to be used may be used for any registration of Registrable Shares (a "Piggyback Registration"), the Company shall give written notice to each Investor of its intention to effect such a registration and, subject to Sections 3(c) and 3(d), shall include in such registration statement and in any offering of Shares to be made pursuant to that registration statement all Registrable Shares with respect to which the Company has received a written request for inclusion therein from an Investor within 10 days after such Investor's receipt of the Company's notice or, in the case of a primary offering, such shorter time as is reasonably specified by the Company in light of the circumstances (provided that only Registrable Shares of the same class or classes as the Shares being registered may be included). The Company shall have no obligation to proceed with any Piggyback Registration and may abandon, terminate and/or withdraw such registration for any reason at any time prior to the pricing thereof. If the Company or any other Person other than an Investor proposes to sell Shares in an underwritten offering pursuant to a registration statement on Form S-3 under the Securities Act, such offering shall be treated as a primary or secondary underwritten offering pursuant to a Piggyback Registration.

(b) Block Trades: Notwithstanding the foregoing, the Piggyback Registration Rights described in Section 3.1(a) shall not apply to any Block Trades undertaken by the Company on behalf of itself or any other stockholders.

(c) Priority on Primary Piggyback Registrations. If a Piggyback Registration is initiated as a primary underwritten offering on behalf of the Company and the managing underwriters advise the Company and any Investors (if such Investors have elected to include Registrable Shares in such Piggyback Registration) that in their opinion the number of Shares proposed to be included in such offering exceeds the number of Shares (of any class) which can be sold in such offering without adverse effect on the price, timing or distribution of the Shares to

be so included, then there shall be included in such offering the number or dollar amount of Shares that in the good faith opinion of such managing underwriters can be sold without so adversely affecting such offering, and such number of Shares shall be allocated for inclusion as follows: (i) first, the number of Shares that the Company proposes to sell, (ii) second, the number of Shares requested to be included therein by any Investors (if such Investors have elected to include Registrable Shares in such Piggyback Registration), pro rata among all such Investor on the basis of the number of Shares requested to be included therein by all such Investors, and (iii) third, the number of Shares requested to be included therein by all other holders of Shares, pro rata among all such holders on the basis of the number of Shares requested to be included therein by all such holders or as such holders and the Company may otherwise agree (with allocations among different classes of Shares, if more than one are involved, to be determined by the Company).

(d) Priority on Secondary Piggyback Registrations. If a Piggyback Registration is initiated as an underwritten registration on behalf of a holder of Shares other than the Investors, and the managing underwriters advise the Company that in their opinion the number of Shares proposed to be included in such registration exceeds the number of Shares (of any class) which can be sold in such offering without adverse effect on the price, timing or distribution of the Shares to be so included, then there shall be included in such offering the number or dollar amount of Shares that in the good faith opinion of such managing underwriters can be sold without so adversely affecting such offering, and such number of Shares shall be allocated for inclusion as follows: (i) first, the number of Shares requested to be included therein by the holder(s) requesting such registration, (ii) second, the number of Shares requested to be included therein by other holders of Shares including any Investors (if such Investors have elected to include Registrable Shares in such Piggyback Registration), pro rata among all such Investor on the basis of the number of Shares requested to be included therein by all such Investors, and (iii) third, the number of Shares that the Company proposes to sell, pro rata among such holders on the basis of the number of Shares requested to be included therein by such holders or as such holders and the Company may otherwise agree (with allocations among different classes of Shares, if more than one are involved, to be determined by the Company).

(e) Selection of Underwriters. If any Piggyback Registration is a primary or secondary underwritten offering, the Company shall have the right to select the managing underwriter or underwriters to administer any such offering.

(f) Basis of Participations. No Investor may sell Registrable Shares in any offering pursuant to a Piggyback Registration unless it (a) agrees to sell such Shares on the same basis provided in the underwriting or other distribution arrangements approved by the Company and that apply to the Company and/or any other holders involved in such Piggyback Registration and (b) completes and executes all questionnaires, powers of attorney, indemnities, underwriting agreements, lockups and other documents required under the terms of such arrangements.

Section 4. S-3 Shelf Registration.

(a) Shelf Registration. Subject to the provisions hereof, the Company shall, as promptly as reasonably practicable, but no later than September 19, 2020, (i) file (if permitted to do so under the Securities Act and the rules and regulations thereunder) a Registration Statement on Form S-3 (or an amendment or supplement to an existing registration statement on Form S-3,

a "S-3 Shelf Registration Statement") for a public offering of all or such portion of the Registrable Shares designated by any Investor pursuant to Rule 415 promulgated under the Securities Act or otherwise (an "S-3 Shelf Registration") and (ii) if necessary, cause such S-3 Shelf Registration Statement to become effective as soon as practical thereafter. If permitted under the Securities Act, such S-3 Shelf Registration Statement shall be one that is automatically effective upon filing.

(b) Right to Effect Shelf Takedowns. An Investor or group of Investors shall be entitled, at any time and from time to time when an S-3 Shelf Registration Statement is effective and until the Termination Date, to sell such Registrable Shares as are then registered pursuant to such Registration Statement (each, a "Shelf Takedown"), but only upon not less than five business days' prior written notice to the Company (if such takedown is to be underwritten). An Investor shall be entitled to request that a Shelf Takedown be an underwritten offering; provided, however, that (based on the then-current market prices) the number of Registrable Shares included in each such underwritten Shelf Takedown would reasonably be expected to yield gross proceeds to such Investor(s) of at least the Minimum Amount, and provided further that such Investor(s) shall not be entitled to request any underwritten Shelf Takedown (i) within three months after any Investor has sold Shares in an underwritten offering effected pursuant to (x) a Demand Registration or (y) an S-3 Shelf Registration, (ii) within three months after any primary or secondary offering of Shares by the Company, including a Block Trade or (iii) at any time when the Company is diligently pursuing (x) a primary or secondary underwritten offering of Shares pursuant to a registration statement (but only if the Investors are provided their piggyback rights, if any, in accordance with Sections 3(a) and 3(c)) or (y) a Block Trade. Each Investor shall give the Company prompt written notice of the consummation of each Shelf Takedown (whether or not underwritten).

(c) Priority on Underwritten Shelf Takedowns. The Company may include Shares other than Registrable Shares in an underwritten Shelf Takedown for any accounts on the terms provided below, but only with the consent of the managing underwriters of such offering and whichever of the Investors that has requested such Shelf Takedown (such consent not to be unreasonably withheld). If the managing underwriters of the requested underwritten Shelf Takedown advise the Company and the requesting Investors that in their opinion the number of Shares proposed to be included in the underwritten Shelf Takedown exceeds the number of Shares which can be sold in such offering without materially delaying or jeopardizing the success of the offering (including the price per share of the Shares proposed to be sold in such offering), the Company shall include in such underwritten Shelf Takedown (i) first, the number of Shares that the requesting Investor(s) proposes to sell, and (ii) second, the number of Shares proposed to be included therein by any other Persons (including Shares to be sold for the account of the Company) allocated among such Persons in such manner as the Company may determine. If the number of Shares which can be sold is less than the number of Registrable Shares proposed to be included in the underwritten Shelf Takedown pursuant to clause (i) above, the amount of Shares to be so sold shall be allocated to requesting Investor(s). The provisions of this paragraph (b) apply only to a Shelf Takedown that an Investor has requested be an underwritten offering.

(d) Selection of Underwriters. If any of the Registrable Shares are to be sold in an underwritten Shelf Takedown initiated by an Investor, the Company shall have the right to select the managing underwriter or underwriters to lead the offering.

(e) Effective Period of S-3 Shelf Registrations. The Company shall, subject to the other applicable provisions of this Agreement, use reasonable best efforts to cause any S-3 Shelf Registration Statement to be continuously effective and usable until such time as there are no longer any Registrable Shares. Notwithstanding the foregoing, the Company shall not be obligated to keep any such registration statement effective, or to permit Registrable Shares to be registered, offered or sold thereunder, at any time on or after the Termination Date.

Section 5. Suspension Periods.

(a) Suspension Periods. The Company may (i) delay the filing or effectiveness of a Registration Statement in conjunction with a Demand Registration or an S-3 Shelf Registration or require the Investor(s) to suspend any offerings or sales of Registrable Shares pursuant thereto or (ii) prior to the pricing of any underwritten offering or other offering of Registrable Shares pursuant to a Demand Registration or an S-3 Shelf Registration, delay such underwritten or other offering (and, if it so chooses, withdraw any registration statement that has been filed), but in each case described in clauses (i) and (ii) only if the Company's board of directors determines in its reasonable discretion, based on written advice of counsel (x) that proceeding with such an offering would require the Company to disclose material information that would not otherwise be required to be disclosed at that time and that the disclosure of such information at that time would be materially harmful to the Company, or (y) that the registration or offering to be delayed would, if not delayed, materially adversely affect the Company and its subsidiaries taken as a whole or materially interfere with, or jeopardize the success of, any pending or proposed material transaction, including, any material debt or equity financing, any material acquisition or disposition, or any recapitalization or reorganization of the Company. Any period during which the Company has delayed a filing, an effective date or an offering pursuant to this Section 5 is herein called a "Suspension Period". If pursuant to this Section 5 the Company delays or withdraws a Demand Registration requested by an Investor, the requesting Investor(s) shall be entitled to withdraw such request and, if they do so, such request shall not count against the limitation on the number of such registrations set forth in Section 2. The Company shall provide prompt written notice to the Investors of the commencement and termination of any Suspension Period (and any withdrawal of a registration statement pursuant to this Section 5), the reasons for such Suspension Period and an approximation of the anticipated length of such Suspension Period, but shall not be obligated under this Agreement to disclose the reasons therefor. The Investors shall keep the existence of each Suspension Period confidential and refrain from making offers and sales of Registrable Shares (and direct any other Persons making such offers and sales to refrain from doing so) during each Suspension Period. In no event (i) may the Company deliver notice of a Suspension Period to the Investors more than three times in any calendar year and (ii) shall a Suspension Period or Suspension Periods be in effect for an aggregate of 180 days or more in any calendar year.

(b) Other Lockups. Notwithstanding any other provision of this Agreement, the Company shall not be obligated to take any action hereunder that would violate any lockup or similar restriction in existence on the date hereof and binding on the Company in connection with a prior or pending registration or underwritten offering.

(c) Warrant Restrictions. Nothing in this Agreement shall affect the restrictions on transfers of Shares and other provisions of a Warrant, which shall apply independently hereof in accordance with the terms thereof.

Section 6. [Reserved].

Section 7. Registration Procedures.

(a) In connection with the S-3 Shelf Registration Statement provided for in Section 4(a) and whenever an Investor requests that any Registrable Shares be registered pursuant to this Agreement, the Company shall use reasonable best efforts to effect, as soon as practical as provided herein, the registration and the sale of such Registrable Shares in accordance with the intended methods of disposition thereof, and, pursuant thereto, the Company shall, as soon as practical as provided herein:

(i) subject to the other provisions of this Agreement, use reasonable best efforts to prepare and file with the SEC a Registration Statement with respect to such Registrable Shares and cause such Registration Statement to become effective (unless it is automatically effective upon filing);

(ii) use reasonable best efforts to prepare and file with the SEC such amendments and supplements to such Registration Statement and the Prospectus used in connection therewith as may be necessary to comply with the applicable requirements of the Securities Act and to keep such Registration Statement effective for the relevant period required hereunder, but no longer than is necessary to complete the distribution of the Registrable Shares covered by such Registration Statement, and to comply with the applicable requirements of the Securities Act with respect to the disposition of all the Registrable Shares covered by such Registration Statement during such period in accordance with the intended methods of disposition set forth in such Registration Statement;

(iii) use reasonable best efforts to obtain the withdrawal of any order suspending the effectiveness of any Registration Statement, or the lifting of any suspension of the qualification or exemption from qualification of any Registrable Shares for sale in any jurisdiction in the United States;

(iv) deliver, without charge, such number of copies of the preliminary and final Prospectus and any supplement thereto to each participating Investor may reasonably request in order to facilitate the disposition of the Registrable Shares of such Investor covered by such Registration Statement in conformity with the requirements of the Securities Act;

(v) use reasonable best efforts to register or qualify such Registrable Shares under such other securities or blue sky laws of such U.S. jurisdictions as any participating Investor reasonably requests and continue such registration or qualification in effect in such jurisdictions for as long as the applicable Registration Statement may be required to be kept effective under this Agreement (provided that the Company will not be

required to qualify generally to do business in any jurisdiction where it would not otherwise

be required to (I) qualify but for this subparagraph (v), (II) subject itself to taxation in any such jurisdiction or (III) consent to general service of process in any such jurisdiction);

(vi) notify each participating Investor and each distributor of such Registrable Shares identified by such Investor, at any time when a Prospectus relating thereto would be required under the Securities Act to be delivered by such distributor, of the occurrence of any event as a result of which the Prospectus included in such Registration Statement contains an untrue statement of a material fact or omits a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and, at the request of such Investor, the Company shall use reasonable best efforts to prepare, as soon as practical, a supplement or amendment to such Prospectus so that, as thereafter delivered to any prospective purchasers of such Registrable Shares, such Prospectus shall not contain an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(vii) in the case of an underwritten offering in which an Investor participates pursuant to a Demand Registration, a Piggyback Registration or an S-3 Shelf Registration, enter into an underwriting agreement in customary form (including provisions for indemnification, lockups, opinions of counsel and comfort letters) and such other documents reasonably required under the terms of such underwriting arrangement, and take all such other customary and reasonable actions as the managing underwriters of such offering may request in order to facilitate the disposition of such Registrable Shares (including, making members of senior management of the Company available at reasonable times and places to participate in "road-shows" that the managing underwriter determines are necessary to effect the offering);

(viii) in the case of an underwritten offering in which an Investor participates pursuant to a Demand Registration, a Piggyback Registration or an S-3 Shelf Registration, and to the extent not prohibited by applicable law, (A) make reasonably available, for inspection by the managing underwriters of such offering and any counsel or accountants acting for such managing underwriters, pertinent corporate documents and financial and other records of the Company and its subsidiaries and controlled Affiliates, (B) cause the Company's and its subsidiary's officers, directors and employees to supply information and participate in customary due diligence sessions in each case reasonably requested by such managing underwriters, counsel or accountants in connection with such offering, (C) make the Company's independent accountants available for any such managing underwriters' due diligence and have them provide customary comfort letters to such underwriters in connection therewith; and (D) cause the Company's counsel to furnish customary legal opinion and a "negative assurance letter" to such underwriters in connection therewith; provided, however, that such records and other information shall be subject to such confidential treatment as is customary for underwriters' due diligence reviews;

(ix) use reasonable best efforts to cause all such Registrable Shares to be listed on each primary securities exchange (if any) on which securities of the same class issued by the Company are then listed;

(x) provide a transfer agent and registrar for all such Registrable Shares not later than the effective date of such Registration Statement and, a reasonable time before any proposed sale of Registrable Shares pursuant to a Registration Statement, provide the transfer agent if reasonably required by the transfer agent, an opinion of counsel as to the effectiveness of the Registration Statement, together with any other authorizations, certificates and directions required by the transfer agent which authorize and direct the transfer agent to issue such Registrable Shares without legend upon sale by the holder of such shares of Registrable Shares under the Registration Statement and with printed certificates for the Registrable Shares to be sold, subject to the provisions of Section 10;

(xi) make generally available to its shareholders a consolidated earnings statement (which need not be audited) for a period of 12 months beginning after the effective date of the Registration Statement as soon as reasonably practicable after the end of such period, which earnings statement shall satisfy the requirements of an earning statement under Section 11(a) of the Securities Act and Rule 158 thereunder;

(xii) cooperate with the Investors and each underwriter or agent participating in the disposition of Registrable Shares and their respective counsel in connection with any filings required to be made with FINRA; and

(xiii) promptly notify each participating Investor, as applicable, and the managing underwriters of any underwritten offering, if any:

(1) when the Registration Statement, any pre-effective amendment, the Prospectus or any Prospectus supplement or any post-effective amendment to the Registration Statement has been filed and, with respect to the Registration Statement or any post-effective amendment, when the same has become effective;

(2) of any request by the SEC for amendments or supplements to the Registration Statement or the Prospectus or for any additional information regarding such Investor;

(3) of the notification to the Company by the SEC of its initiation of any proceeding with respect to the issuance by the SEC of any stop order suspending the effectiveness of the Registration Statement;

(4) if at any time the Company has reason to believe that the representations and warranties of the Company or any of its subsidiaries contained in any agreement relating to such offering (including any underwriting agreement contemplated by Section 7(a)(vii) above) cease to be true and correct; and

(5) of the receipt by the Company of any notification with respect to the suspension of the qualification of any Registrable Shares for sale under the applicable securities or blue sky laws of any jurisdiction.

For the avoidance of doubt, the provisions of clauses (vi), (viii), (xi) and (xiii) of this Section 7(a) shall apply only in respect of an underwritten offering and only if (based on market prices at the time the offering is requested by such Investor(s) the number of Registrable Shares to be sold in the offering would reasonably be expected to yield gross proceeds to such Investor(s) of at least the Minimum Amount.

(b) No Registration Statement (including any amendments thereto) shall contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein not misleading, and no Prospectus (including any supplements thereto) shall contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case, except for any untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact made in reliance on and in conformity with written information furnished to the Company by or on behalf of an Investor, any selling securityholder or any underwriter or other distributor specifically for use therein.

(c) At all times after the Company has filed a registration statement with the SEC pursuant to the requirements of the Securities Act and until the Termination Date, the Company shall use reasonable best efforts to continuously maintain in effect the registration of Common Stock under Section 12 of the Exchange Act and to use reasonable best efforts to file all reports required to be filed by it under the Securities Act and the Exchange Act and the rules and regulations adopted by the SEC thereunder, all to the extent required to enable each applicable Investor to be eligible to sell Registrable Shares (if any) pursuant to Rule 144 under the Securities Act.

(d) The Company may require each applicable Investor and each distributor of Registrable Shares as to which any registration is being effected to furnish to the Company information regarding such Person and the distribution of such securities as the Company may from time to time reasonably request in connection with such registration.

(e) Each Investor agrees by having its shares of Common Stock treated as Registrable Shares hereunder that, upon being advised in writing by the Company of the occurrence of an event pursuant to Section 7(a)(vi), such Investor will immediately discontinue (and direct any other Persons making offers and sales of Registrable Shares to immediately discontinue) offers and sales of Registrable Shares pursuant to any Registration Statement (other than those pursuant to a plan that is in effect prior to such time and that complies with Rule 10b5-1 under the Exchange Act) until it is advised in writing by the Company that the use of the Prospectus may be resumed and is furnished with a supplemented or amended Prospectus as contemplated by Section 7(a)(vi), and, if so directed by the Company, each Investor will deliver to the Company all copies (at the Company's expense), other than permanent file copies then in each Investor's possession, of the Prospectus covering such Registrable Shares current at the time of receipt of such notice.

(f) The Company may prepare and deliver a free writing prospectus (as such term is defined in Rule 405 under the Securities Act) in lieu of any supplement to a Prospectus, and references herein to any "supplement" to a Prospectus shall include any such free writing

prospectus. No Investor nor any other seller of Registrable Shares may use a free writing prospectus to offer or sell any such shares without the Company's prior written consent.

(g) It is understood and agreed that any failure of the Company to file a registration statement or any amendment or supplement thereto or to cause any such document to become or remain effective or usable within or for any particular period of time as provided in Section 2, 4 or 7 or otherwise in this Agreement, due to reasons that are not reasonably within its control, or due to any refusal of the SEC to permit a registration statement or prospectus to become or remain effective or to be used because of unresolved SEC comments thereon (or on any documents incorporated therein by reference) despite the Company's good faith and reasonable best efforts to resolve those comments, shall not be a breach of this Agreement.

(h) It is further understood and agreed that the Company shall not have any obligations under this Section 7 at any time on or after the Termination Date, unless an underwritten offering in which an Investor participates has been priced but not completed prior to the Termination Date, in which event the Company's obligations under this Section 7 shall continue with respect to such offering until it is so completed (but not more than 60 days after the commencement of the offering).

(i) Notwithstanding anything to the contrary in this Agreement, the Company shall not be required to file a Registration Statement or include Registrable Shares in a Registration Statement unless it has received from an Investor, at least three business days prior to the anticipated filing date of the Registration Statement, reasonably requested information required to be included in such Registration Statement and to be provided by such Investor for inclusion therein.

Section 8. Registration Expenses.

(a) All expenses incident to the Company's performance of or compliance with this Agreement, including all registration and filing fees, fees and expenses of compliance with securities or blue sky laws, FINRA fees, listing application fees, printing expenses, transfer agent's and registrar's fees, cost of distributing Prospectuses in preliminary and final form as well as any supplements thereto, and fees and disbursements of counsel for the Company and all independent certified public accountants and other Persons retained by the Company (all such expenses being herein called "Registration Expenses") (but not including any underwriting discounts or commissions attributable to the sale of Registrable Shares by the Investor or fees and expenses of counsel and any other advisor representing any underwriters or other distributors), shall be borne by the Company. Each Investor shall bear the cost of all underwriting discounts and commissions associated with any sale of Registrable Shares, pro rata based on the number of Registrable Shares being sold by that Investor, and shall pay its own costs and expenses, including all fees and expenses of any counsel (and any other advisers) representing such Investor and any stock transfer taxes.

(b) The obligation of the Company to bear the expenses described in Section 8(a) shall apply irrespective of whether a registration, once properly demanded or requested becomes effective or is withdrawn or suspended; provided, however, that Registration Expenses for any Registration Statement withdrawn solely at the request of one or more Investors

(unless withdrawn following commencement of a Suspension Period pursuant to Section 5) shall be borne by such Investor(s), unless such Investor(s) elects to have such withdrawn Registration Statement count against the limit on the number of such registrations set forth herein.

Section 9. Indemnification.

(a) The Company shall indemnify, to the fullest extent permitted by law, the Investors and each Person who controls the Investors (within the meaning of the Securities Act) against all losses, claims, damages, liabilities, judgments, costs (including reasonable and documented costs of investigation) and expenses (including reasonable and documented attorneys' fees) arising out of or based upon any untrue or alleged untrue statement of a material fact contained in any Registration Statement or Prospectus or any amendment thereof or supplement thereto or arising out of or based upon any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, except insofar as the same are made in reliance and in conformity with information furnished in writing to the Company by the Investors or to the Company by any participating underwriter in each case expressly for use therein. In connection with an underwritten offering in which any Investor participates conducted pursuant to a registration effected hereunder, the Company shall enter into the underwriting agreement contemplated by Section 7(a)(vii) containing customary indemnification provisions and otherwise indemnify each participating underwriter and each Person who controls such underwriter (within the meaning of the Securities Act) to the same extent as provided above with respect to the indemnification of such Investor(s).

(b) In connection with any Registration Statement in which an Investor is participating, such Investor shall furnish to the Company in writing such information as the Company reasonably requests for use in connection with any such Registration Statement or Prospectus, or amendment or supplement thereto, and shall indemnify, severally and not jointly, to the fullest extent permitted by law, (i) the Company, its officers and directors and each Person who controls the Company (within the meaning of the Securities Act) and (ii) each participating underwriter, if any, and each Person who controls such underwriter (within the meaning of the Securities Act) against all losses, claims, damages, liabilities, judgments, costs (including reasonable and documented costs of investigation) and expenses (including reasonable and documented attorneys' fees) arising out of or based upon any untrue or alleged untrue statement of material fact contained in the Registration Statement or Prospectus, or any amendment or supplement thereto, or arising out of or based upon any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein not misleading, but only to the extent that the same are made in reliance and in conformity with information furnished in writing to the Company by or on behalf of such Investor expressly for use therein.

(c) Any Person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying Person of any claim with respect to which it seeks indemnification and (ii) permit such indemnifying Person to assume the defense of such claim with counsel reasonably satisfactory to the indemnified Person. Failure so to notify the indemnifying Person shall not relieve it from any liability that it may have to an indemnified Person except to the extent that the indemnifying Person is materially and adversely prejudiced thereby. The indemnifying Person shall not be subject to any liability for any settlement made by the indemnified Person without its consent. An indemnifying Person who is entitled to, and elects to,

assume the defense of a claim shall not be obligated to pay the fees and expenses of more than one counsel (in addition to one local counsel in each jurisdiction) for all Persons indemnified (hereunder or otherwise) by such indemnifying Person with respect to such claim (and all other claims arising out of the same circumstances), unless in the reasonable judgment of any indemnified Person there may be one or more legal or equitable defenses available to such indemnified Person which are in addition to or may conflict with those available to another indemnified Person with respect to such claim, in which case such maximum number of counsel for all indemnified Persons shall be two rather than one). If an indemnifying Person is entitled to, and elects to, assume the defense of a claim, the indemnified Person shall continue to be entitled to participate in the defense thereof, with counsel of its own choice, but, except as set forth above, the indemnifying Person shall not be obligated to reimburse the indemnified Person for the costs thereof. The indemnifying Person shall not consent to the entry of any judgment or enter into or agree to any settlement relating to a claim or action for which any indemnified Person would be entitled to indemnification by any indemnified Person hereunder unless such judgment or settlement imposes no ongoing obligations on any such indemnified Person and includes as an unconditional term the giving, by all relevant claimants and plaintiffs to such indemnified Person, a release, satisfactory in form and substance to such indemnified Person, from all liabilities in respect of such claim or action for which such indemnified Person would be entitled to such indemnification. The indemnifying Person shall not be liable hereunder for any amount paid or payable or incurred pursuant to or in connection with any judgment entered or settlement effected with the consent of an indemnified Person unless the indemnifying Person has also consented to such judgment or settlement.

(d) The indemnification provided for under this Agreement shall remain in full force and effect regardless of any investigation made by or on behalf of the indemnified Person or any officer, director or controlling Person of such indemnified Person and shall survive the transfer of securities and the applicable Termination Date but only with respect to offers and sales of Registrable Shares made before the applicable Termination Date or during the period following the applicable Termination Date referred to in Section 7(g).

(e) If the indemnification provided for in or pursuant to this Section 9 is due in accordance with the terms hereof, but is held by a court to be unavailable or unenforceable in respect of any losses, claims, damages, liabilities or expenses referred to herein, then each applicable indemnifying Person, in lieu of indemnifying such indemnified Person, shall contribute to the amount paid or payable by such indemnified Person as a result of such losses, claims, damages, liabilities or expenses in such proportion as is appropriate to reflect the relative fault of the indemnifying Person on the one hand and of the indemnified Person on the other in connection with the statements or omissions which result in such losses, claims, damages, liabilities or expenses as well as any other relevant equitable considerations. The relative fault of the indemnifying Person on the one hand and of the indemnified Person on the other shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the indemnifying Person or by the indemnified Person, and by such Person's relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. In no event shall the liability of the indemnifying Person be greater in amount than the amount for which such indemnifying Person would have been obligated to pay by way of

indemnification if the indemnification provided for under Section 9(a) or 9(a) hereof had been available under the circumstances.

Section 10. Securities Act Restrictions. The Registrable Shares are restricted securities under the Securities Act and may not be offered or sold except pursuant to an effective registration statement or an available exemption from registration under the Securities Act. Accordingly, an Investor shall not, directly or through others, offer or sell any Registrable Shares except pursuant to a Registration Statement as contemplated herein or pursuant to Rule 144 or another exemption from registration under the Securities Act, if available. Prior to any transfer of Registrable Shares other than pursuant to an effective registration statement, an Investor shall notify the Company of such transfer and the Company may require such Investor to provide, prior to such transfer, such evidence that the transfer will comply with the Securities Act (including written representations or an opinion of counsel) as the Company may reasonably request. The Company may impose stop-transfer instructions with respect to any Registrable Shares that are to be transferred in contravention of this Agreement. Any certificates representing the Registrable Shares shall bear a legend (and the Company's share registry shall bear a notation) referencing the restrictions on transfer contained in this Agreement, until such time as such securities have ceased to be (or are to be transferred in a manner that results in their ceasing to be) Registrable Shares.

Section 11. Transfers of Rights.

(a) If an Investor transfers any rights to a Permitted Transferee in accordance with the provisions of a Warrant, such Permitted Transferee shall, together with all other such Permitted Transferees and the Investors, also have the rights of the Investors under this Agreement, but only if the Permitted Transferee signs and delivers to the Company a written acknowledgment (in form and substance satisfactory to the Company) that it has joined with the Investors and the other Permitted Transferees as a party to this Agreement and has assumed the rights and obligations of the Investors hereunder with respect to the rights transferred to it by an Investor. Each such transfer shall be effective when (but only when) the Permitted Transferee has signed and delivered the written acknowledgment to the Company. Upon any such effective transfer, the Permitted Transferee shall automatically have the rights so transferred, and the applicable Investor's obligations under this Agreement, and the rights not so transferred, shall continue, provided that under no circumstances shall the Company be required to provide more than four Demand Registrations. Notwithstanding any other provision of this Agreement, no Person who acquires securities transferred in violation of this Agreement or a Warrant, or who acquires securities that are not or upon acquisition cease to be Registrable Shares, shall have any rights under this Agreement with respect to such securities, and such securities shall not have the benefits afforded hereunder to Registrable Shares.

Section 12. Miscellaneous.

(a) Notices. Any notice, request, instruction or other document to be given hereunder by any party to the other will be in writing and will be deemed to have been duly given (a) on the date of delivery if delivered personally upon confirmation of receipt, or (b) on the second business day following the date of dispatch if delivered by a nationally recognized next day courier service, in each case with a copy sent concurrently by e-mail. All notices hereunder shall be

delivered as set forth below, or pursuant to such other instructions as may be designated in writing by the party to receive such notice. Notices and other communications hereunder may be delivered or furnished by electronic communication (including e-mail and Internet or intranet websites). Notices and other communications sent to an e-mail address shall be deemed received upon the sender's receipt of an acknowledgement from the intended recipient (such as by the "return receipt requested" function, as available, return e-mail or other written acknowledgement); provided that if such notice or other communication is not sent during the normal business hours of the recipient, such notice or communication shall be deemed to have been sent at the opening of business on the next business day for the recipient, and notices or communications posted to an Internet or intranet website shall be deemed received upon the deemed receipt by the intended recipient at its e-mail address as described in the foregoing clause of notification that such notice or communication is available and identifying the website address therefor.

If to the Company:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, NY 10105
Attention: Nicola Santoro, Jr.
Telephone: (212) 798-6100
Email: nsantoro@fortress.com

With a copy to:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: Jonathan Grebinar
Phone: 2112-798-6100
Email: jgrebinar@fortress.com

With a copy to:

New Residential Investment Corp.
1345 Avenue of the Americas, 45th Floor
New York, New York 10105
Attention: Varun Wadhawan
Phone: 212-798-6100
Email: vwadhawan@fortress.com

With a copy to (which copy alone shall not constitute notice):

Skadden, Arps, Slate, Meagher and Flom LLP
One Manhattan West
New York, New York 10001
Attention: Michael Zeidel and Michael Schwartz
E-mail: Michael.Zeidel@skadden.com and
Michael.Schwartz@skadden.com

If to the Investors:

See Schedule I hereto.

With a copy to (which copy alone shall not constitute notice):

Sullivan & Cromwell LLP
125 Broad Street
New York, New York 10004
Attention: Robert W. Downes
E-mail: Downesr@sullcrom.com

(b) No Waivers. No failure or delay by any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided shall be cumulative and not exclusive of any rights or remedies provided by law.

(c) Assignment. Neither this Agreement nor any right, remedy, obligation nor liability arising hereunder or by reason hereof shall be assignable by any party hereto without the prior written consent of the other parties, and any attempt to assign any right, remedy, obligation or liability hereunder without such consent shall be void, except (i) an assignment, in the case of a merger or consolidation where such party is not the surviving entity, or a sale of substantially all of its assets, to the entity which is the survivor of such merger or consolidation or the purchaser in such sale or (ii) an assignment by an Investor to a Permitted Transferee in accordance with the terms hereof.

(d) No Third-Party Beneficiaries. Nothing contained in this Agreement, expressed or implied, is intended to confer upon any person or entity other than the Company and the Investors (and any Permitted Transferee to which an assignment is made in accordance with this Agreement), any benefits, rights, or remedies (except as specified in Section 9 hereof).

(e) Governing Law; Submission to Jurisdiction; Waiver of Jury Trial, Etc. This Agreement will be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such State. Each of the parties hereto agrees (a) to submit to the exclusive personal jurisdiction of the State or Federal courts in the Borough of Manhattan, The City of New York, (b) that exclusive jurisdiction and venue shall lie in the State or Federal courts in the State of New

exclusive jurisdiction and venue shall lie in the State of Federal courts in the State of New

York, and (c) that notice may be served upon such party at the address and in the manner set forth for such party in Section 12(a). To the extent permitted by applicable law, each of the parties hereto hereby unconditionally waives trial by jury in any legal action or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

(f) Counterparts; Effectiveness. This Agreement may be executed in any number of counterparts (including by e-mail or facsimile) and by different parties hereto in separate counterparts, with the same effect as if all parties had signed the same document. All such counterparts shall be deemed an original, shall be construed together and shall constitute one and the same instrument. This Agreement shall become effective when each party hereto shall have received counterparts hereof signed by all of the other parties hereto.

(g) Entire Agreement. This Agreement contains the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes and replaces all other prior agreements, written or oral, among the parties hereto with respect to the subject matter hereof.

(h) Captions. The headings and other captions in this Agreement are for convenience and reference only and shall not be used in interpreting, construing or enforcing any provision of this Agreement.

(i) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction or other authority to be invalid, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions of this Agreement shall remain in full force and effect and shall in no way be affected, impaired or invalidated so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party. Upon such a determination, the parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the parties as closely as possible in an acceptable manner in order that the transactions contemplated hereby be consummated as originally contemplated to the fullest extent possible.

(j) Other Registration Rights. The Company agrees that it shall not grant any registration rights to any third party unless such rights are expressly made subject to the rights of the Investors in a manner consistent with this Agreement.

(k) Amendments. The provisions of this Agreement, including the provisions of this sentence, may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given without the prior written consent of the Company and Investors representing at least 50% (by number) of the Registrable Shares (with each shares of Common Stock to be received upon exercise of a Warrant counting as one Registrable Share for this purpose).

IN WITNESS WHEREOF, this Registration Rights Agreement has been duly executed by each of the parties hereto as of the date first written above.

NEW RESIDENTIAL INVESTMENT CORP.

By: /s/ Nicola Santoro, Jr.
Name: Nicola Santoro, Jr.
Title: Chief Financial Officer

IN WITNESS WHEREOF, this Registration Rights Agreement has been duly executed by each of the parties hereto as of the date first written above.

CF NRS-E LLC

By: /s/ Jennifer Sorkin
Name: Jennifer Sorkin
Title: Treasurer

IN WITNESS WHEREOF, this Registration Rights Agreement has been duly executed by each of the parties hereto as of the date first written above.

CANYON FINANCE (CAYMAN) LIMITED
THE CANYON VALUE REALIZATION MASTER FUND-X, L.P.
CANYON VALUE REALIZATION FUND, L.P.
CBFVEST HOLDINGS LTD.
GRFVEST HOLDINGS LTD.
CANYON IC CREDIT MASTER FUND L.P.
CANYON DISTRESSED OPPORTUNITY MASTER FUND III, L.P.,
CANYON NZ-DOF INVESTING, L.P.
CANYON DISTRESSED TX (A) LLC
CANYON DISTRESSED TX (B) LLC
CANYON-EDOF (MASTER) L.P.,
EP CANYON LTD

By: Canyon Capital Advisors, LLC, the Investment Advisor to each of the above listed funds

By: /s/ Jonathan M. Kaplan
Name: Jonathan M. Kaplan
Title: Authorized Signatory

CANYON BLUE CREDIT INVESTMENT FUND L.P.

By: Canyon Capital Advisors, LLC, its Co-Investment Advisor

By: /s/ Jonathan M. Kaplan
Name: Jonathan M. Kaplan
Title: Authorized Signatory

By: Canyon Partners Real Estate LLC, its Co-Investment Advisor

By: /s/ Jonathan M. Kaplan
Name: Jonathan M. Kaplan
Title: Authorized Signatory

Schedule I

INVESTORS

1. Canyon Finance (Cayman) Limited

2. The Canyon Value Realization Master Fund-X, L.P.

3. Canyon Value Realization Fund, L.P.

4. CBFVEST Holdings LTD.

5. GRFVEST Holdings LTD.

6. Canyon IC Credit Master Fund L.P.

7. Canyon Distressed Opportunity Master Fund III, L.P.,

8. Canyon NZ-DOF Investing, L.P.

9. Canyon Distressed TX (A) LLC

10. Canyon Distressed TX (B) LLC

11. Canyon-EDOF (Master) L.P.,

12. Canyon Blue Credit Investment Fund L.P.

13. EP Canyon LTD

14. CF NRS UST LLC

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.

July 24, 2020

/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.

July 24, 2020

/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 June 30, 2020 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.

July 24, 2020

/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 June 30, 2020 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.

July 24, 2020

/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.