



Q2 2013 Earnings Presentation

Three Months Ended June 30, 2013

August 6, 2013

Forward Looking Statements



Any statements in this release that are not historical or current facts are forward-looking statements. Forward-looking statements include, without limitation, statements concerning plans, objectives, goals, projections, strategies, future events or performance, and underlying assumptions and other statements, which are not statements of historical facts. Forward-looking statements convey Nationstar's current expectations or forecasts of future events. When used in this release, the words "anticipate," "appears," "believe," "foresee," "intend," "should," "expect," "estimate," "target," "project," "plan," "may," "could," "will," "are likely" and similar expressions are intended to identify forward-looking statements. These statements involve predictions of our future financial condition, performance, plans and strategies, and are thus dependent on a number of factors including, without limitation, assumptions and data that may be imprecise or incorrect. Specific factors that may impact performance or other predictions of future actions have, in many but not all cases, been identified in connection with specific forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Nationstar's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Certain of these risks and uncertainties are described in the "Risk Factors" section of Nationstar's Form 10-K for the year ended December 31, 2012, and other filings Nationstar makes with the SEC, which are available at the SEC's website at <http://www.sec.gov>. We caution you not to place undue reliance on these forward-looking statements that speak only as of the date they were made. Unless required by law, Nationstar undertakes no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date of this release.

Q2'13: Execution of Strategic Plan Leads to Strong Earnings



Financial Highlights

- Record GAAP EPS of \$1.37 on net income of \$123MM
- Pro forma EPS of \$1.50, excluding \$19MM BofA ramp and one-time expenses⁽¹⁾

Operational Highlights

- Servicing: UPB of \$318B; PF UPB of \$435B⁽²⁾
 - ✓ Bulk pipeline over \$400B
- Originations: record volume of \$7.1B, up 109% Q-o-Q
 - ✓ Record recapture rate of 48%
 - ✓ Reduced operating expense bps by 37% Q-o-Q

Strategic Initiatives Update

- **Servicing**
 - ✓ Profitability targets on track
 - ✓ 60+ day DQ rate down 200 bps Q-o-Q
 - ✓ Executed \$1B PLS advance securitization; 175 bps rate reduction
- **Originations**
 - ✓ Significant opportunities with HARP, BofA, Greenlight, KB / Builder
 - ✓ Productivity gains lead to higher volumes and lower expenses
 - ✓ Positioning for expansion of purchase money

1) \$19 million ramp and one-time expenses includes BofA ramp expenses, write-off of facility fees due to non-agency advance securitization, and Greenlight acquisition costs. Please see pro forma EPS reconciliation on page 19

2) Pro-forma for \$101B BofA PLS and other servicing under contract

Well Positioned to Benefit From Improving Economy



Rising rate environment: improving economy

- Housing market improving
- Home prices increasing
- Unemployment on the decline
- Lower portfolio delinquencies
- Slower prepayment speeds

Positive for Nationstar

Impact on Servicing Segment...

- Extended life of servicing assets
- Lower cost to service
- Lower advance balances
- Contributes larger % of earnings

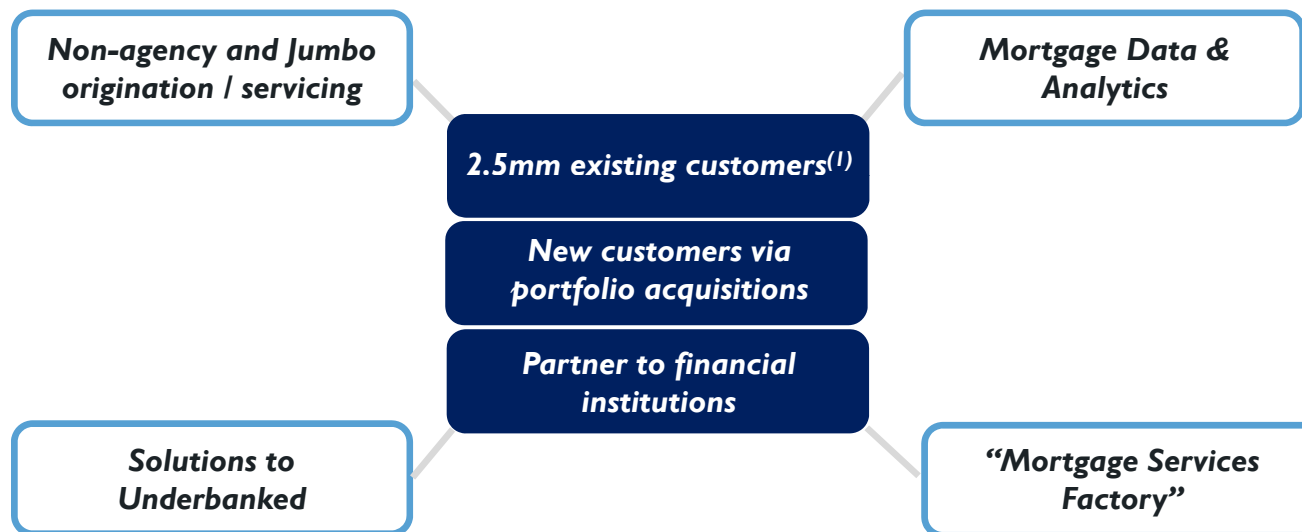
***Increased
Profitability***

Impact on Originations Segment...

- Lower LTVs creates larger buyer pool
- Amplified purchase money opportunities

Significant Fee Opportunities Provide Further Growth Catalyst

Leverage expertise in credit risk management and customer base



Multiple expansion and cross-sell opportunities

1) 2.5 million customers is pro forma for previously announced BofA PLS portfolio acquisitions

Q2'13 Servicing Highlights



Performance & Acquisitions

- 5 bps pretax operating profitability⁽¹⁾
- BofA: Completed boarding of \$97B Agency / GNMA
- Closed \$47B PLS portfolio in July; remainder in 2013

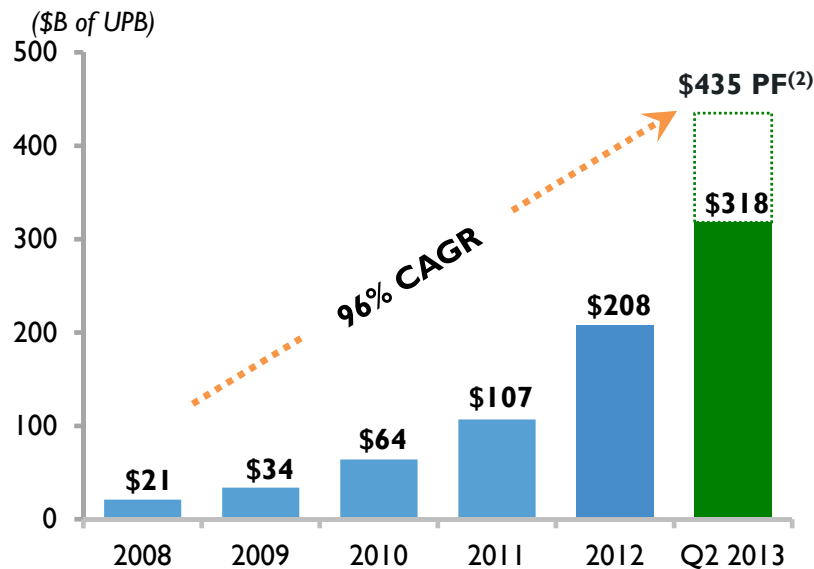
Pipelines

- Bulk: \$400B+
- Flow: \$55B+

Prepayments

- 18% annualized CPR
- Originations and flow servicing provide organic growth

UPB Growth



1) Pretax operating profitability excludes the net change of market-to-market adjustment of \$59.8MM and ramp and other one-time expenses of \$14.4MM. The servicing segment generated 11 bps of pretax income in the 2nd quarter.

2) Pro-forma for \$101B BofA PLS and other servicing under contract

Servicing: Profitability Initiatives



Progress towards pre-tax profit of 5 bps in '13 & 10 bps in '14

Decrease Cost Per Loan

- 30% targeted reduction in '13
- 12% improvement since Q4
- Productivity increased 23% since Q4

Reduce Delinquencies

- Targeted reduction of 60+ DQ from 15% to 10%
- 60+ day DQ rate down 200 bps Q-o-Q to 11.8%
- Lower advance balances and interest expense

Lower Advances

- \$1.3B securitized since January
- PLS securitization resulted in 175 bps decline in funding costs
- Recovered \$500MM since Jan '13⁽¹⁾

Initiatives translate into earnings...

...produces \$3.00+ of EPS⁽²⁾

1) \$500 million of advances recovered on a static pool basis. In total, NSM advances have grown since the beginning of the year due to the acquisition of the BofA portfolios and advances related to those portfolios.

2) For illustrative purposes only. These illustrations use assumptions that affect results shown, including assumptions that are based on factors that are beyond NSM's control. Actual results could differ from this illustration. Included in previously announced guidance; assumes marginal tax rate of 38% and 90.7MM shares outstanding.

Servicing: Organic Growth⁽¹⁾



(\$ in billions)

Servicing Portfolio Balance	\$435
Less: Prepayments of 12 -15% CPR	(\$50 to \$65)

Portfolio Additions:

<i>Recapture & Other Channels</i>	\$35	
	+	\$90
<i>Flow & Correspondent</i>	\$55	

New Portfolio Balance	\$460 to \$475
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Further Growth: Bulk Acquisition	\$400+
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Positioned to organically grow servicing book

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Q2'13 Originations Highlights

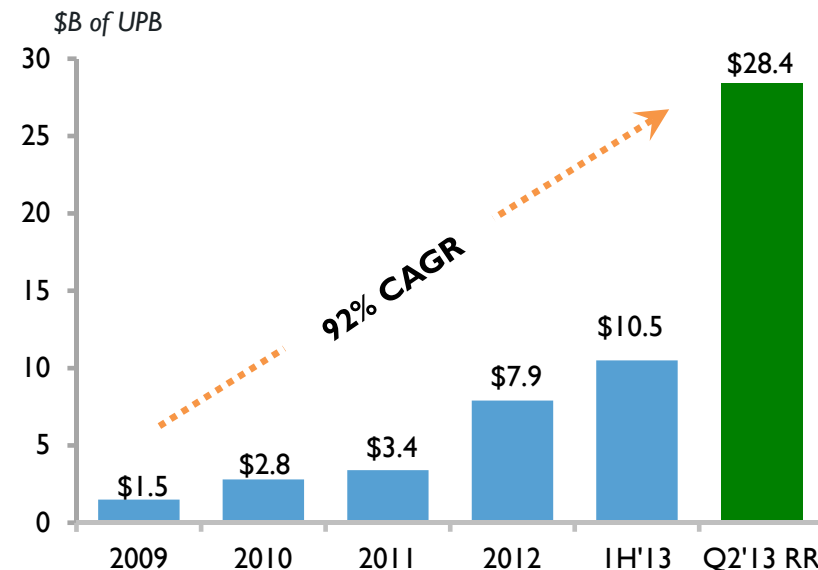


- 78% increase in pretax income to a record \$121MM
- 109% increase in funded volume to \$7.1B
- On track for \$23B volume in '13 and \$31B in '14 guidance⁽¹⁾
- Greenlight acquisition closed on 5/31

Strong Growth

\$ in billions	Q2'13	Q1'13	Change
Funded volume	\$7.1	\$3.4	109%
Ex-correspondent	\$5.6	\$3.1	81%
Application pipeline	\$12.2	\$7.8	56%
Locked pipeline	\$8.6	\$6.4	34%

Origination Volume



1) 2013 and 2014 origination volume guidance excludes correspondent

Originations: Profits Remain Strong; Runway for Growth



Focused on higher-margin channels and efficiency improvements

- Increased productivity and expense reductions delivered stable pretax margin
- Record volume contributes to record income

Profitability Remains on Track

In bps	Q2'13	Q1'13	Change
Pretax Income⁽¹⁾	219	223	(4) Bps
Expenses & Other⁽¹⁾	255	362	(107) bps
Gain on Sale⁽¹⁾	474	585	(111) bps
Funded Volume⁽¹⁾	\$5.6B	\$3.1B	+\$2.5B

1) Excludes correspondent volume

2) Represents opportunities in current servicing book with > \$50 savings per month; includes closed BofA PLS portfolios

Significant Opportunities

- Refinance: \$45B+ in servicing book⁽²⁾
 - ✓ \$34B+ if rates rise 100 bps
- Organic growth: direct, Greenlight, wholesale
- Expansion of purchase money and builder strategies

Facilitate efficient processing of real estate transactions via advanced technology platform

- Q2'13 revenue of \$38MM

Additional growth opportunities...

- Real Estate Services
 - ✓ Expansion of NSM servicing book
 - ✓ Increase number of auction sales and expand short sale program
- Settlement Solutions
 - ✓ Complete capture of NSM originations and servicing portfolio
 - ✓ Expansion of 3rd party clients

Real Estate Solutions
2,400 asset sales in Q2

Settlement Solutions
29,000 appraisals in Q2

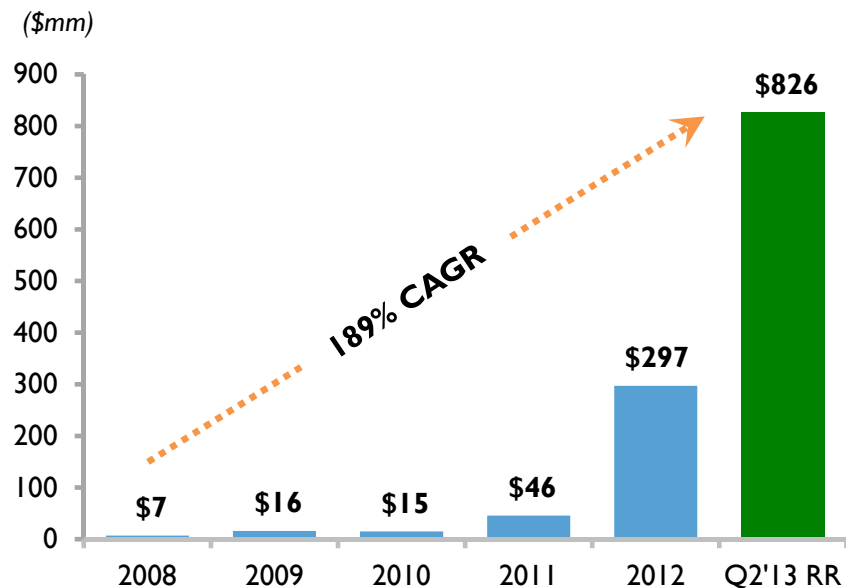
**Evaluating Strategic
Verticals**

Q2'13 Financial Highlights: Continued Earnings Strength

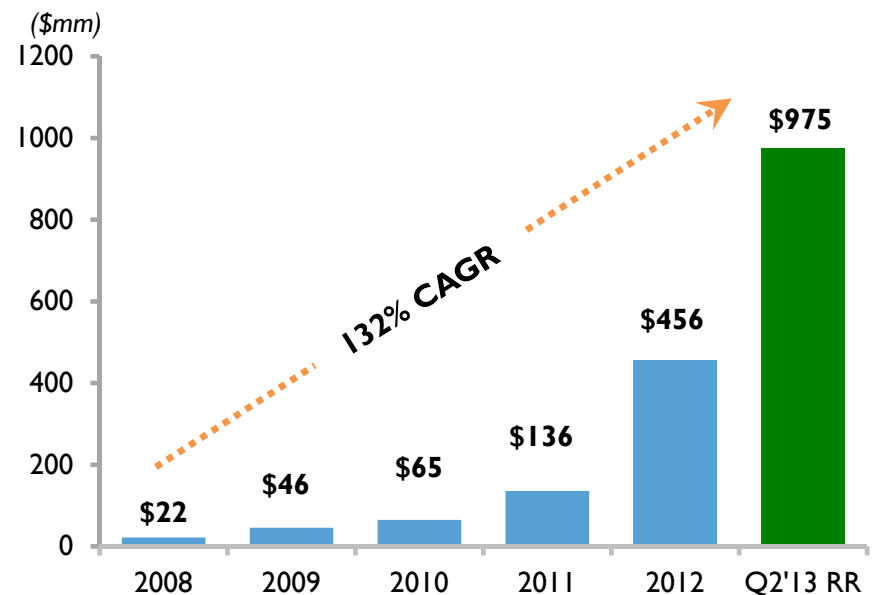


- Revenue increased 40% Q-o-Q to \$604MM
- Pre-tax income⁽¹⁾ increased 90% to \$207MM at a 34% margin
- Pro-forma pre-tax income⁽¹⁾ of \$226MM
- AEBITDA⁽²⁾ increased 37% Q-o-Q to \$244MM at a 40% margin

Pre-Tax Income Growth⁽¹⁾



AEBITDA Growth⁽¹⁾⁽²⁾



1) Operating Segments. \$19 million ramp and one-time expenses includes BofA ramp expenses, write-off of facility fees due to non-agency advance securitization, and Greenlight acquisition costs. Please see pro forma pre-tax income reconciliation on page 19

2) AEBITDA for operating segments. Please see Appendix for information on AEBITDA and reconciliations beginning on page 20

Affirm 2013 and 2014 Earnings Guidance



On track to hit full year '13 and '14 guidance that was provided Q1'13

	2013E	2014E
Per Share Guidance⁽¹⁾⁽²⁾		
AEBITDA per share	\$10.10 - \$11.75	\$14.70 - \$17.10
Earnings per share	\$4.05 - \$4.75	\$6.45 - \$7.50

1) Assumes 90.7 million shares outstanding

2) Please refer to Endnotes for information regarding 2013E and 2014E AEBITDA and EPS

Capitalizing on Opportunities and Improving Economy



- Generated record earnings in 2nd quarter; continue to execute on strategy
- Fee-based services company designed to ***perform in all rate and economic cycles***
- Positioned to perform in current economy and capitalize on strong long term strategic opportunities

Current Environment

- Servicing growth: partner to banks and others
- Improving economy...increased servicing profitability
- Larger servicing portfolio...larger recapture base
- Organic growth in origination channels
- Continued build-out of Solutionstar

Future Opportunities

- Servicing portfolio with 2.5+ million customers
- Growth in purchase money volume
- New origination products: non-agency / jumbo
- Fee-based business expansion
- Strong cash flows provide options for capital management

Appendix



Guidance Simply Demonstrated⁽¹⁾



	2013	2014
Servicing		
Average UPB (\$B)	\$ 360	\$ 480
Pre-tax profit bps	5	10
Servicing segment pre-tax profit (\$MM)	\$ 180	\$ 480
Originations		
Volume (\$B) ⁽²⁾	\$ 23	\$ 31
Pre-tax profit bps ⁽³⁾	200	175
Originations segment pre-tax profit (\$MM)	\$ 460	\$ 543
Pre-tax income	\$ 640	\$ 1,023
Income taxes	(241)	(388)
Net Income	\$ 399	\$ 635
EPS⁽⁴⁾	\$ 4.40	\$ 7.00

1) Please refer to Endnotes for information regarding 2013E and 2014E AEBITDA and EPS; for illustrative purposes only, may not meet actual results; official guidance is range listed on page 12

2) Excludes correspondent, assumes breakeven on GAAP basis for correspondent channel (means to acquire servicing assets at an attractive multiple)

3) Includes ramp expenses

4) Assumes 90.7mm shares outstanding

Q2'13 Consolidated Performance



- 56% return on equity⁽¹⁾
 - ✓ 34% average return on equity over last five quarters

<i>\$ in Millions</i>	Total ⁽²⁾	
	Q2'13	Q1'13
Revenue	\$ 604	\$ 431
AEBITDA ⁽³⁾	244	178
Pre-Tax Income	199	101
One-time expenses	19	22
Pre-Tax Income excl. one-time	218	123
Income Tax	(76)	(38)
Net Income	\$ 123	\$ 63
<i>Pro Forma Net Income</i>	\$ 135	\$ 76
<i>Per share data ⁽⁵⁾</i>		
EPS	\$ 1.37	\$ 0.70
Pro Forma EPS ⁽⁴⁾	1.50	0.85
AEBITDA ⁽³⁾	2.70	1.98

1) Shareholder's equity of \$947MM as of June 30, 2013; ROE calculated as Q2'13 RR NI divided by average Shareholder Equity from Q1'13 to Q2'13

2) Includes Legacy Segment, except for AEBITDA

3) Please see Endnotes for information on AEBITDA and reconciliations beginning on page 20

4) Includes \$19MM of ramp expenses in Q2'13; tax effected for pro forma EPS. See pro forma EPS reconciliation on page 19

5) Assumes share count of 90.4MM for Q2'13 and 89.9MM for Q1'13

Originations: Cash-Driven Economics



- Approximately \$222 million in total cash/near-cash revenue

Q2 '13 Economics

	(\$mm)
Cash – Points, Fees, Gain on Sale	\$191
Pipeline Value ⁽¹⁾	31
Subtotal Cash / Near Cash Revenue	\$222
Servicing Asset <i>(Cash value realized over time)</i>	47
Other	0
Total Originations Revenue	\$269

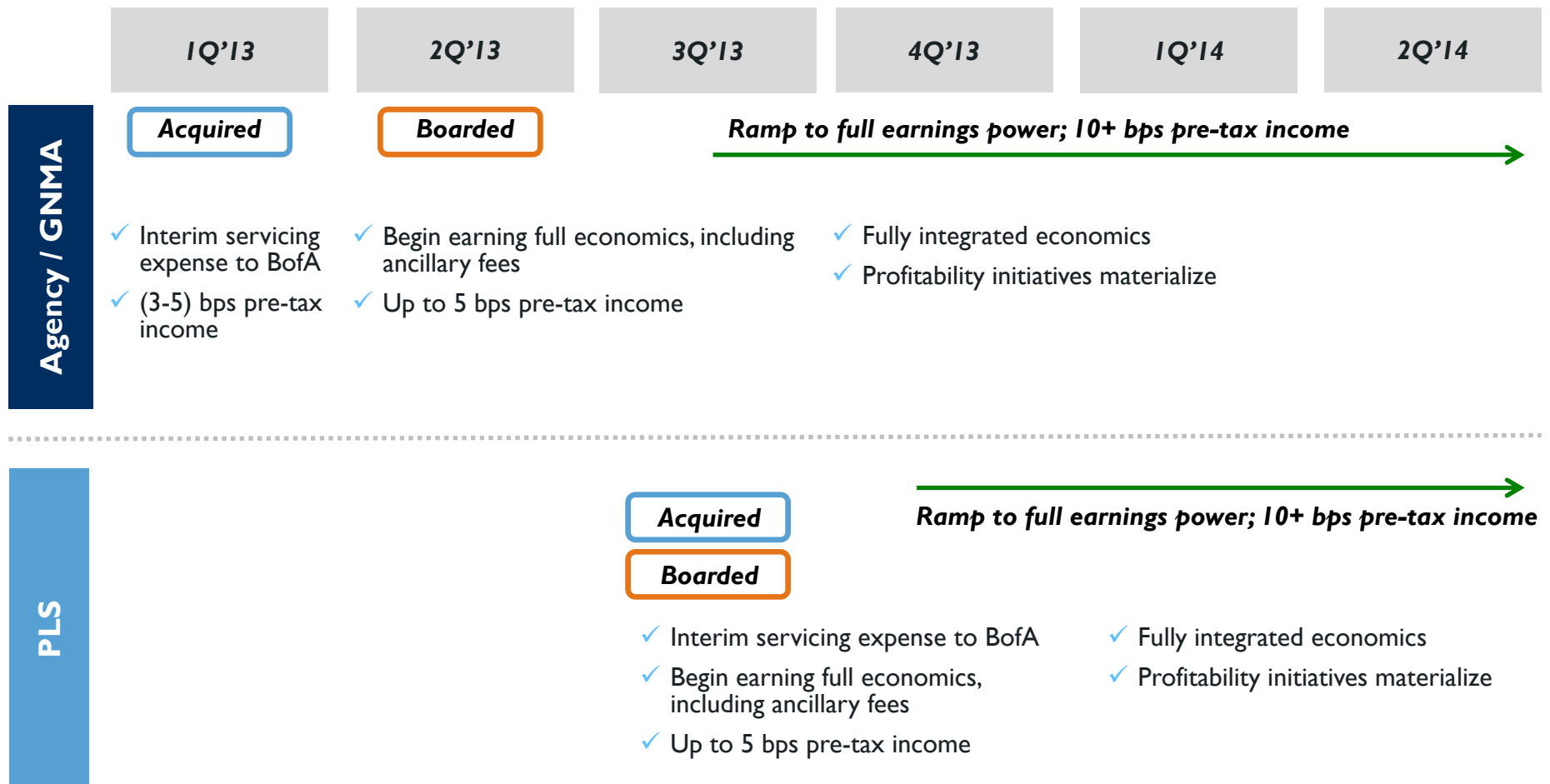
Cash / near cash is
83% of total revenue

1) Includes mark-to-market on loans held for sale and derivative/hedges
2) As of June 30, 2013

Servicing Acquisitions: Timing of Economics (BofA Example)⁽¹⁾



- Full earnings potential realized several quarters after portfolio has been boarded



1) For illustrative purposes only, may not meet actual results.

Pro Forma Per Share Reconciliations

(\$ in millions)	Q2 '13	Q1 '13	Q2 '12
Net Income	\$123.4	\$62.6	\$36.3
Income Tax	75.7	38.4	12.8
Pre-Tax Income	<u>199.1</u>	<u>101.0</u>	<u>49.1</u>
Ramp and one-time expenses	19.4	22.2	4.1
Pro-forma Pre-Tax Income	<u>\$218.5</u>	<u>\$123.2</u>	<u>\$53.2</u>
Income Tax	(83.0)	(46.8)	(13.9)
Pro-Forma Income	\$135.5	\$76.4	\$39.3
Pro-forma Per Share:	\$1.50	\$0.85	\$0.44
Average shares outstanding	90.4	89.9	89.5

AEBITDA and Pro Forma Pre-Tax Income Reconciliation



For Quarter Ended June 30, 2013

(\$ in millions)

	Servicing	Originations	Operating	Legacy	Total
Adjusted EBITDA	\$109.4	\$134.3	\$243.7	(\$7.1)	236.6
Interest expense on corporate notes	(29.0)	(10.1)	(39.1)	-	(39.1)
MSR valuation adjustment	32.9	-	32.9	-	32.9
Excess spread adjustment	(23.8)	-	(23.8)	-	(23.8)
Amortization of mort. serv. obligations	0.3	-	0.3	-	0.3
Depreciation & amortization	(3.4)	(1.8)	(5.2)	(0.6)	(5.8)
Stock-based compensation	(1.7)	(1.1)	(2.8)	(0.0)	(2.8)
Fair value adjustment for derivatives	0.6	-	0.6	0.2	0.8
Pre-Tax Income	\$85.3	\$121.3	\$206.5	(\$7.5)	\$199.1
Income Tax					(75.7)
Net Income					\$123.5
Earnings per share ⁽¹⁾					\$1.37
AEBITDA per share ⁽¹⁾	\$1.21	\$1.49	\$2.70	(\$0.08)	\$2.62
Pre-Tax Income per share ⁽¹⁾	\$0.94	\$1.34	\$2.29	(\$0.08)	\$2.20
Average shares outstanding	90.4	90.4	90.4	90.4	90.4
Pre-Tax Income	\$85.3	\$121.3	\$206.5	(\$7.5)	\$199.1
Ramp expenses	14.4	5.0	19.4	-	19.4
Pro Forma Pre-Tax Income	\$99.7	\$126.2	\$225.9	(\$7.5)	\$218.5

1) Calculated using a fully-diluted average share count of 90.4 million shares

Segment AEBITDA Reconciliation



For Quarter Ended March 31, 2013

(\$ in millions)

	Servicing	Originations	Operating	Legacy	Total
Adjusted EBITDA	\$100.1	\$78.2	\$178.3	(\$7.8)	\$170.5
Interest expense on corporate notes	(22.7)	(8.0)	(30.7)	-	(30.7)
MSR valuation adjustment	(9.7)	-	(9.7)	-	(9.7)
Excess spread adjustment	(23.9)	-	(23.9)	-	(23.9)
Amortization of mort. serv. obligations	0.3	-	0.3	-	0.3
Depreciation & amortization	(2.5)	(1.0)	(3.5)	(0.4)	(3.9)
Stock-based compensation	(1.7)	(1.1)	(2.8)	-	(2.8)
Fair value adjustment for derivatives	0.8	-	0.8	0.5	1.3
Pre-Tax Income	\$40.7	\$68.0	\$108.7	(\$7.7)	\$101.0
Income Tax					(38.4)
Net Income					\$62.6
Earnings per share ⁽¹⁾					\$0.70
AEBITDA per share ⁽¹⁾	\$1.11	\$0.87	\$1.98	(\$0.09)	\$1.89
Pre-Tax Income per share ⁽¹⁾	\$0.45	\$0.76	\$1.21	(\$0.09)	\$1.12

1) Calculated using a fully-diluted average share count of 89.9 million shares

Segment AEBITDA Reconciliation (continued)



For Quarter Ended June 30, 2012

(\$ in millions)

	Servicing	Originations	Operating	Legacy	Total
Adjusted EBITDA	\$37.4	\$63.8	\$101.2	(\$7.5)	\$93.7
Interest expense on corporate notes	(13.5)	-	(13.5)	-	(13.5)
MSR valuation adjustment	(20.9)	-	(20.9)	-	(20.9)
Excess spread adjustment	(2.4)	-	(2.4)	-	(2.4)
Amortization of mort. serv. obligations	(0.0)	-	(0.0)	-	(0.0)
Depreciation & amortization	(1.2)	(0.5)	(1.7)	(0.1)	(1.8)
Stock-based compensation	(4.1)	(2.2)	(6.3)	0.7	(5.6)
Fair value adjustment for derivatives	0.2	-	0.2	(0.5)	(0.3)
Pre-Tax Income	(\$4.7)	\$61.1	\$56.5	(\$7.4)	\$49.1
Income Tax					(12.8)
Net Income					\$36.4
Earnings per share ⁽¹⁾					\$0.41
AEBITDA per share ⁽¹⁾	\$0.42	\$0.71	\$1.13	(\$0.08)	\$1.05
Pre-Tax Income per share ⁽¹⁾	(\$0.05)	\$0.68	\$0.63	(\$0.08)	\$0.55

1) Calculated using a fully-diluted average share count of 89.5 million shares

AEBITDA Reconciliation (continued)



(\$ in thousands)

	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	IH '13
Net Income (loss)	\$ (157,610)	\$ (80,877)	\$ (9,914)	\$ 20,887	\$ 205,287	\$ 186,076
Adjust for:						
Net loss from Legacy Portfolio and Other	164,738	97,263	24,806	24,892	20,483	15,156
Interest expense from unsecured senior notes	-	-	24,628	30,464	63,879	69,763
Depreciation and amortization	1,172	1,542	1,873	3,395	8,880	8,718
Change in fair value of MSR's	11,701	27,915	6,043	39,000	68,242	(23,217)
Amortization of mortgage servicing obligations	-	-	-	-	(5,120)	(550)
Fair value changes on excess spread financing	-	-	-	3,060	10,684	47,672
Share-based compensation	1,633	579	8,999	14,764	14,045	5,698
Exit costs	-	-	-	1,836	-	-
Fair value changes on interest rate swaps	-	-	9,801	(298)	(1,237)	(1,372)
Ineffective portion of cash flow hedge	-	-	(930)	(2,032)	-	(61)
Income tax expense	-	-	-	-	71,296	114,046
Adjusted EBITDA	\$ 21,634	\$ 46,422	\$ 65,306	\$ 135,968	\$ 456,439	\$ 421,928

Endnotes



2013 Estimate EPS 2013 Estimate EPS is based on our expectations of continued growth, current market conditions and increased operating efficiencies in our business in addition to our financial targets for 2013. Our actual EPS for 2013 on an annualized basis may differ from our 2013(E) EPS.

2014 Estimate EPS 2014 Estimate EPS is based on our expectations of continued growth, current market conditions and increased operating efficiencies in our business in addition to our financial targets for 2014. Our actual EPS for 2014 on an annualized basis may differ from our 2014(E) EPS.

Pro forma Earnings Per Share (“Pro forma EPS”) This disclaimer applies to every usage of pro forma EPS in this presentation. Pro forma EPS is a metric that is used by management to exclude certain non-recurring items in an attempt to provide a better earnings per share comparison to prior periods. Pro forma Q2 '13 EPS excludes certain expenses related to the acquisition of the \$215 billion servicing portfolio from Bank of America, expenses related to the acquisition of Greenlight Financial Services, and expenses related to the non-agency advance receivable securitization. These expenses include the advance hiring of servicing and originations staff, recruiting expenses, travel, licensing, legal expenses, and expenses related to the write-off of facility fees on credit facilities that were retired as part of the non-agency advance receivable securitization. Pro forma Q2 '12 EPS excludes ramp expenses related to the acquisition of the Aurora servicing portfolio.

Pro forma Pre-Tax Income (“Pro forma Pre-Tax Income”) This disclaimer applies to every usage of pro forma pre-tax income in this presentation. Pro forma pre-tax income is a metric that is used by management to exclude certain non-recurring items in an attempt to provide a better earnings per share comparison to prior periods. Pro forma Q2 '13 pre-tax income excludes certain expenses related to the acquisition of the \$215 billion servicing portfolio from Bank of America, expenses related to the acquisition of Greenlight Financial Services, and expenses related to the non-agency advance receivable securitization. These expenses include the advance hiring of servicing and originations staff, recruiting expenses, travel, licensing, legal expenses, and expenses related to the write-off of facility fees on credit facilities that were retired as part of the non-agency advance receivable securitization.

Adjusted EBITDA (“AEBITDA”) This disclaimer applies to every usage of “Adjusted EBITDA” or “AEBITDA” in this presentation. Adjusted EBITDA is a key performance metric used by management in evaluating the performance of our segments. Adjusted EBITDA represents our Operating Segments' income (loss), and excludes income and expenses that relate to the financing of our senior notes, depreciable (or amortizable) asset base of the business, income taxes (if any), exit costs from our restructuring and certain non-cash items. Adjusted EBITDA also excludes results from our legacy asset portfolio and certain securitization trusts that were consolidated upon adoption of the accounting guidance eliminating the concept of a qualifying special purpose entity (“QSPE”).

2013 Estimate AEBITDA 2013 Estimate AEBITDA is based on our expectations of continued growth, current market conditions and increased operating efficiencies in our business in addition to our financial targets for 2013. Target for all non-GAAP figures excludes the same items as we excluded in our 2011/2012 non-GAAP reconciliation, as follows: income and expenses that relate to the financing of the senior notes, depreciable (or amortizable) asset base and several other relevant items. Our actual AEBITDA for 2013 on an annualized basis may differ from our 2013(E) AEBITDA.

2014 Estimate AEBITDA 2014 Estimate AEBITDA is based on our expectations of continued growth, current market conditions and increased operating efficiencies in our business in addition to our financial targets for 2014. Target for all non-GAAP figures excludes the same items as we excluded in our 2011/2012 non-GAAP reconciliation, as follows: income and expenses that relate to the financing of the senior notes, depreciable (or amortizable) asset base and several other relevant items. Our actual AEBITDA for 2014 on an annualized basis may differ from our 2014(E) AEBITDA.

NOTE: 2013 and 2014 Estimate Net Income and 2013 and 2014 Estimate AEBITDA are forward-looking and subject to significant business, economic, regulatory and competitive uncertainties, many of which are beyond control of Nationstar and its management, and are based upon assumptions with respect to future decisions, which are subject to change. Actual results will vary and those variations may be material. Nothing in this presentation should be regarded as a representation by any person that this target will be achieved and Nationstar undertakes no duty to update this target.