



**Wells Fargo Specialty Finance Conference**  
**Investor Presentation**  
May 19, 2015

*Helping You Achieve More*

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### **Forward Looking Statements**

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### **Non-GAAP measures**

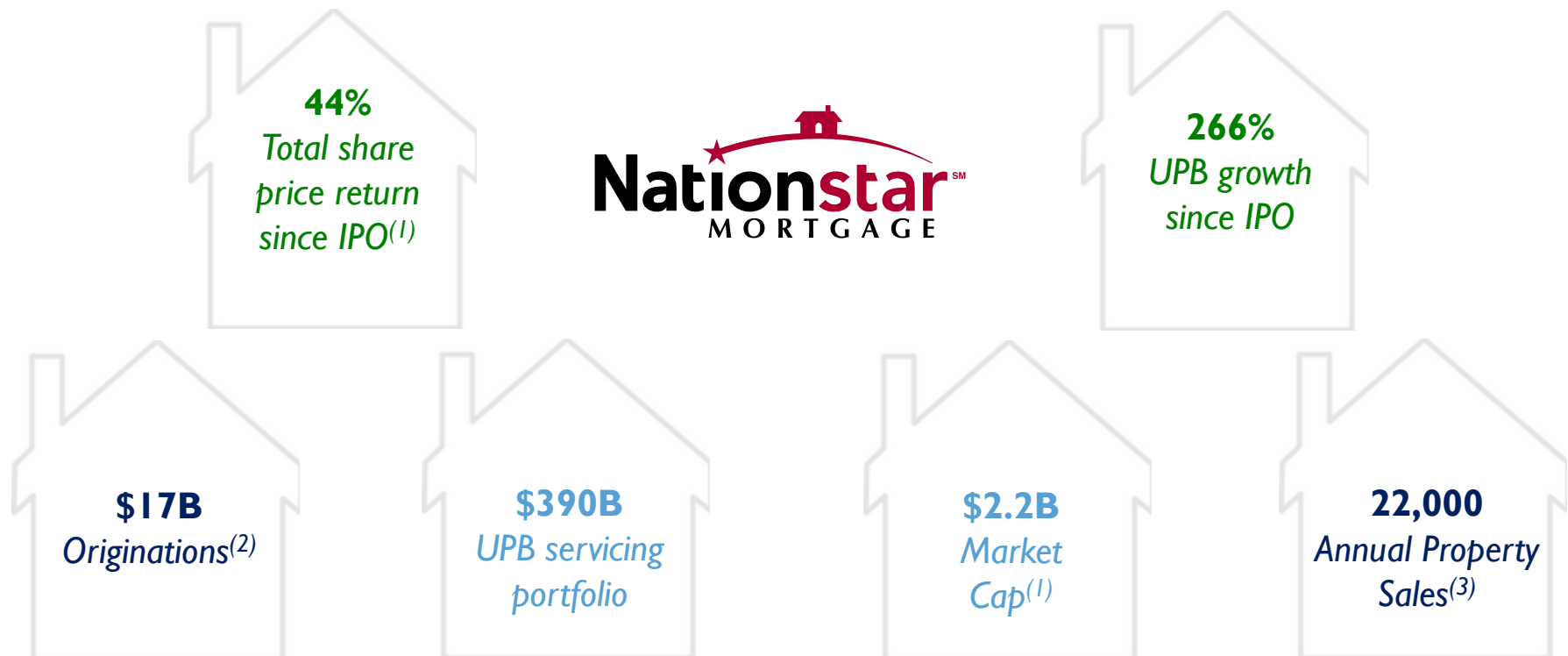
*This presentation contains certain references to non-GAAP measures. Please refer to the Appendix and Endnotes for more information on non-GAAP measures.*

# Nationstar Overview



***Nationstar (NYSE:NSM) is a publicly traded residential mortgage services company with a \$2.2 billion market capitalization<sup>(1)</sup>***

- 44% total share price return since IPO<sup>(1)</sup>
- Aim to earn strong consolidated adjusted cash flows
- Uniquely positioned to benefit from opportunities across the massive U.S. residential market



1) As of 5/15/15  
2) Based on Q1'15 annualized originations  
3) Based on Q1'15 annualized property sales

# Financial Performance

- Recorded strong adjusted cash flow of \$114 million<sup>(1)</sup> – **37% increase QoQ**
- Improved capital and liquidity
  - ✓ To be deployed in future investment opportunities
- Pretax income (ex. mark-to-market “MTM”) of \$35 million
  - ✓ Impacted by interest rate environment - \$17mm from increase in prepayments

\$ in mm	Q1'15	Q4'14	
<b>Adjusted Cash Flow<sup>(1)</sup></b>	\$114	\$83	<b>Increase principally due to originations and Solutionstar</b>
<b>Pretax Income ex. MTM Adjustments</b>	\$35	\$53	
<b>GAAP Net Income</b>	(\$48)	\$19	<b>Elevated prepayments and negative MTM due to rate environment (non-cash)</b>

1) Please refer to Appendix for information on non-GAAP numbers and reconciliations

# Q1'15 Highlights



## Capital Position

- Strong liquidity position
- Significant dry powder for acquisitions
- Substantial cushion over announced FHFA minimum capital / liquidity requirements

## Originations

- Strong quarter driven by favorable rate environment and focused execution
- Recaptured loan economics mitigating ~90% of voluntary payoff amortization
- Pilot testing Customer for Life initiatives designed to increase recapture

## Servicing

- Acquired \$24B of servicing; increased ending UPB 2%
- Awarded FNMA 5 STAR rating
- Continued decline in 60+ delinquency

## Solutionstar

- Third party revenue constitutes 31% of overall revenue
- Strong cash flow business; up \$4mm QoQ
- 5,400 property sales despite slow February (weather impact)

# Originations Highlights

- Strong quarter driven by favorable rate environment and focused execution
  - ✓ \$4.2B in originations – **up 17% QoQ**
  - ✓ Platform not dependent upon HARP (only 28% of volume)
  - ✓ \$59 million of pretax income – **up 28% QoQ**
- **Recapture mitigated 90% of voluntary run-off economics; generated \$22mm of cash**
- Focused on increasing retention

## Strong Financial Results

Key Metrics	Q1'15	Q4'14	% QoQ
Funded Volume (\$B)	\$4.2	\$3.6	+17%
Pretax Income	\$59	\$46	+28%
Purchase %	24%	28%	(14%)
HARP %	28%	32%	(13%)

## Customer Select™ Pilot

- Focus on long term relationships vs. short term transactions
  - ✓ Individualized market / property insights from RED
  - ✓ High touch *One Call Concierge* service to ensure positive phone interactions
- Build awareness and affinity for the Nationstar brands
- Launched first test pilot in March; continue to refine the program to engage customers

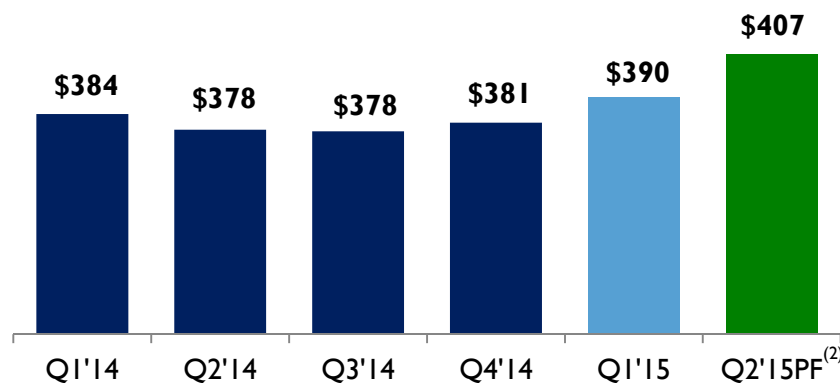
# Servicing Highlights

- Ending UPB of \$390B, up 2% QoQ
  - ✓ \$52B of portfolio acquisition commitments<sup>(1)</sup>
  - ✓ \$31B closed QTD in Q2, remaining upon GSE approvals
- Strong adjusted cash flows of \$110mm
  - ✓ Rate environment during quarter impacted GAAP earnings, not cash flows
- Continued decline in 60+ delinquency to 8.8%
- Received FNMA 5-STAR rating for servicer performance

## Portfolio Sustainability

(\$ in B)

*Demonstrated ability to sustain portfolio during periods of elevated CPR and slowed transfers*



## Positioned to Benefit from Rising Rates

- Slower prepayments
- Lower DQs
- Lower cost to service
- Reduced advance balances

*Extended duration of cash flows and increased profitability*

1) Commitments represent a signed LOI or definitive agreement, but the transaction has not yet closed  
 2) Pro forma for \$31B in previously announced acquisitions expected to close in Q2'15; assumes ~14.0% CPR in Q2'15

# Estimated MSR MTM & Recapture Sensitivity

<b>MSR MTM Sensitivity</b>			<b>Recapture Sensitivity</b>		
<i>\$ in millions</i>	<b>Interest Rates</b>		<i>\$ in millions</i>	<b>Recapture</b>	
	<b>25 bps increase<sup>(1)</sup></b>	<b>50 bps increase<sup>(1)</sup></b>		<b>2.5% increase</b>	<b>5.0% increase</b>
Mortgage servicing rights	\$122	\$235	Annual pretax income	\$16	\$32
Excess spread financing	(36)	(70)			
<b>Total, net change</b>	<b>\$86</b>	<b>\$165</b>			

**Initiatives to increase recapture:**

- ✓ Customer for Life / Customer Select
- ✓ Predictive pay algorithm technology
- ✓ RED MLS data

**Rates have increased ~30 bps since 3/31**

1) Assumes parallel interest rate shocks



## Servicing: Operational P&L (in bps)



**Servicing earnings impacted by non-cash items; continues to generate strong cash flows**

	Q1'15	Q4'14	Q3'14	Q2'14	Q1'14
Operating Revenue <sup>(1)</sup>	37.1	38.2	39.4	40.5	39.2
Total Expenses	18.8	19.6	17.2	19.4	17.2
Other (income) / expense	1.5	(0.4)	1.0	3.1	4.1
<b>Adj. operating income b/f amortization</b>	<b>16.8</b>	<b>19.1</b>	<b>21.3</b>	<b>18.1</b>	<b>17.9</b>
Total amortization	6.5	4.9	5.6	3.5	4.6
<b>Adjusted operating income</b>	<b>10.3</b>	<b>14.2</b>	<b>15.7</b>	<b>14.6</b>	<b>13.3</b>
Total structured financing payments	9.9	10.7	11.0	11.4	9.5
<b>Pretax income ex. MTM</b>	<b>0.4</b>	<b>3.7</b>	<b>4.7</b>	<b>3.2<sup>(3)</sup></b>	<b>3.7<sup>(3)</sup></b>
Scheduled payments	1.9	2.7	4.5	3.4	2.4
One-time items	0.0	0.9	0.5	2.7	1.8
<b>Core pretax income</b>	<b>2.3</b>	<b>7.3</b>	<b>9.9<sup>(3)</sup></b>	<b>9.0<sup>(3)</sup></b>	<b>8.2<sup>(3)</sup></b>
Adjusted Cash Flow <sup>(4)</sup>	\$110	\$125	\$142	\$105	\$122

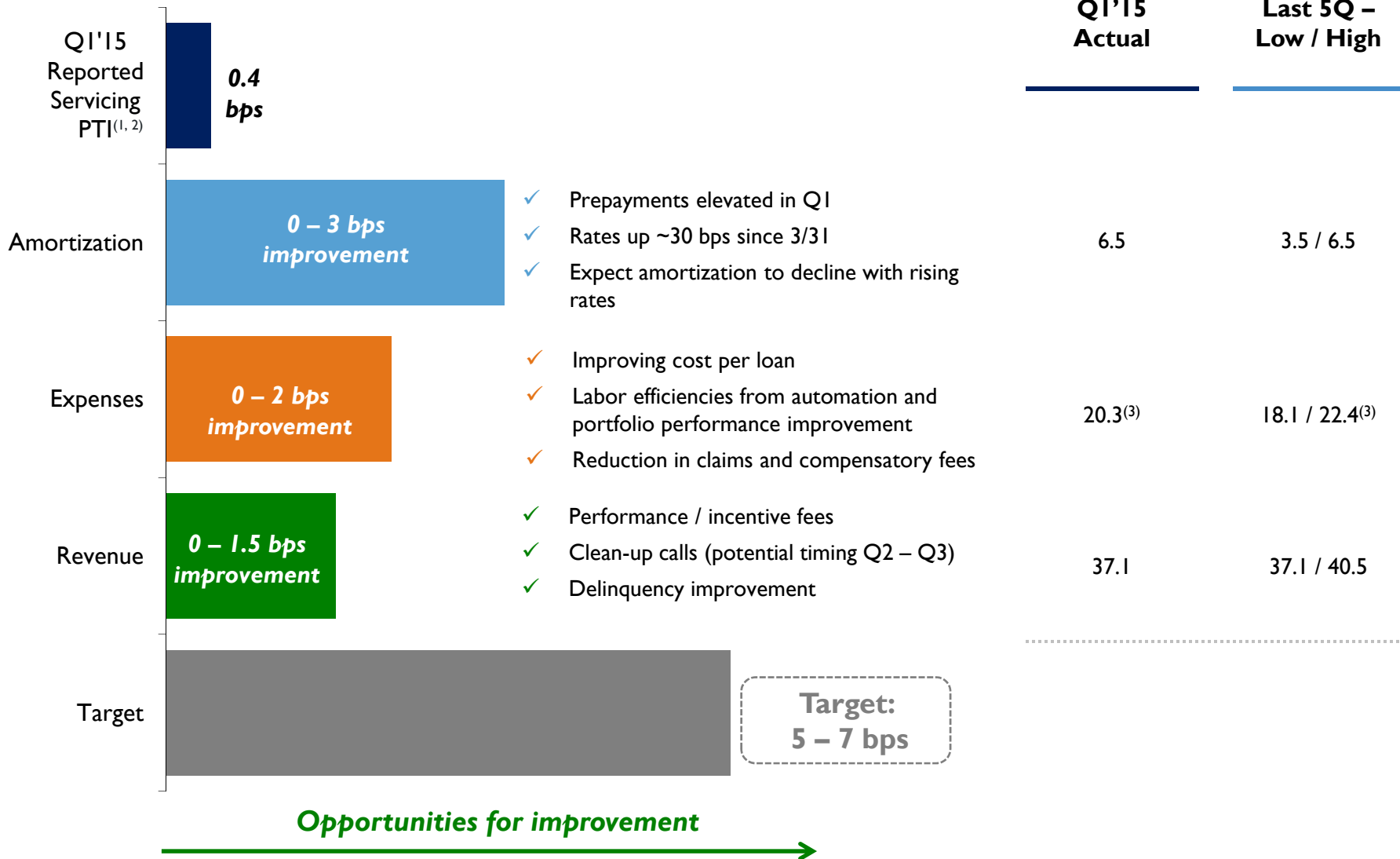
1) Operating revenue excludes payments made in connection with excess spread co-investment and sale of advances, amortization and MTM adjustments.

2) Includes compliance, accounting, finance

3) Totals may not sum due to rounding

4) Please refer to Appendix for information on non-GAAP numbers and reconciliations. Adjusted cash flow intended to be estimated cash flow generated from operations. Excess spread is treated as a financing under GAAP. For an approximation of free cash flow, excess spread principal payments should be deducted from adjusted cash flow.

# Servicing: Opportunities for Increased Profitability



1) Excluding mark-to-market  
 2) Based on \$386B average UPB as of 1Q'15  
 3) Includes direct expenses and other (income) / expense

# Servicing Generates Opportunities for Other Segments



**Servicing segment creates a positive economic impact across other segments**

- Significant recapture opportunity for origination segment
- Provides Solutionstar with property sales pipeline

**Over last 5 quarters servicing segment helped contribute significant PTI for Originations / Solutionstar:**

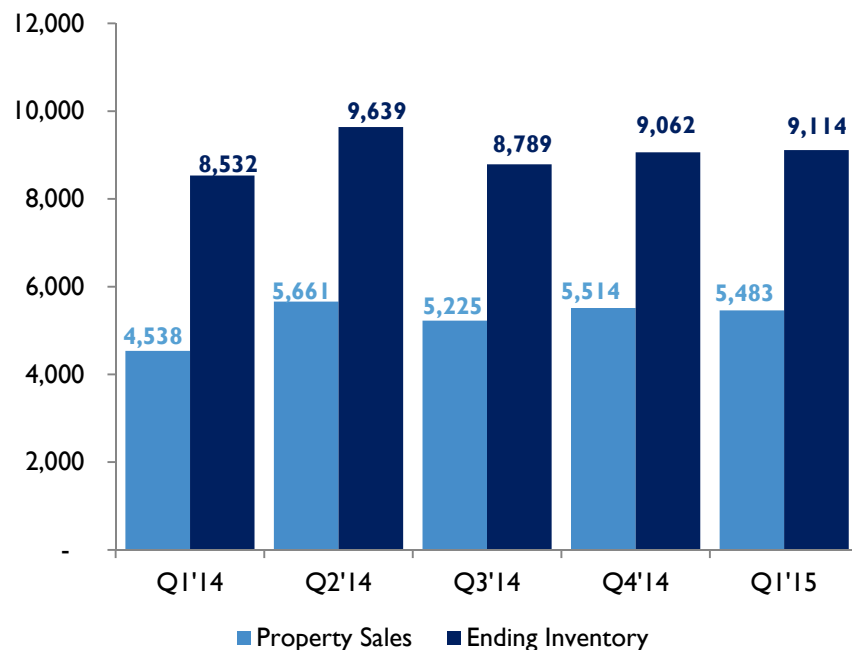
<i>\$ in mm</i>	<b>Origination<sup>(1)</sup> / Solutionstar</b>	<b>Servicing <sup>(2)</sup></b>	<b>% of Servicing</b>
Q1'14	\$59	\$38	155%
Q2'14	104	28	371%
Q3'14	78	46	173%
Q4'14	82	35	234%
Q1'15	91	4	2,275%
<b>Last 5 Quarters</b>	<b>\$415</b>	<b>\$150</b>	<b>277%</b>

1) Origination earnings generated from consumer-direct (recapture) channel  
 2) Excludes mark-to-market adjustment

# Solutionstar Highlights

- Strong cash flows: increased \$4mm QoQ to \$38mm
  - ✓ Pretax income down slightly due to D&A and significant investments in digital business (over \$6mm)
- Maintained property sales volume, despite slow February due to weather (down 20% from Jan / Mar average)
  - ✓ Over 2,100 property sales in April - best in history of segment
  - ✓ Entering seasonally strong selling months
- Launching Xome in Q2
  - ✓ Comprehensive real estate ecosystem that will change the nature of residential real estate transactions

## Property Sales & Ending REO Inventory

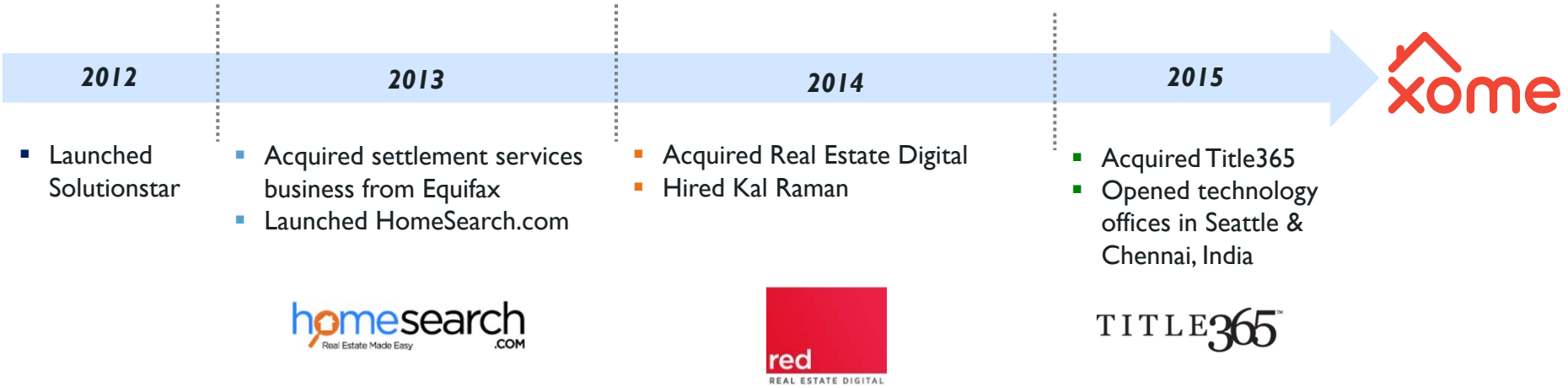


## Xome's Upcoming Milestone

	Timing
<b>Beta testing</b> <i>Testing across all devices – desktop &amp; mobile</i>	In process
<b>Advanced real estate analytics / valuation models</b>	Q2'15
<b>Trusted Signing</b> <i>Enables closing of real estate or escrow transaction via smartphone</i>	Q2'15
<b>Public Launch</b>	Q2 / Q3'15
<b>PR Campaign</b>	Q2 / Q3'15

# Evolution to Xome

**Building the world's first digital and truly integrated way to buy and sell a home**



## Key Strategic Objectives:

- ✓ Capture revenue streams from NSM
- ✓ Appraisal / title / close services for large bank clients
- ✓ REO auction website
- ✓ Hired world class consumer technology and real estate experts
- ✓ Enhanced data for consumers
- ✓ Tech-enabled purchase title business
- ✓ Additional 3<sup>rd</sup> party clients
- ✓ Launch new technology offerings

# Xome: Revolutionizing the Way Real Estate Transacts



THERE'S NO PLACE LIKE XOME<sup>SM</sup>

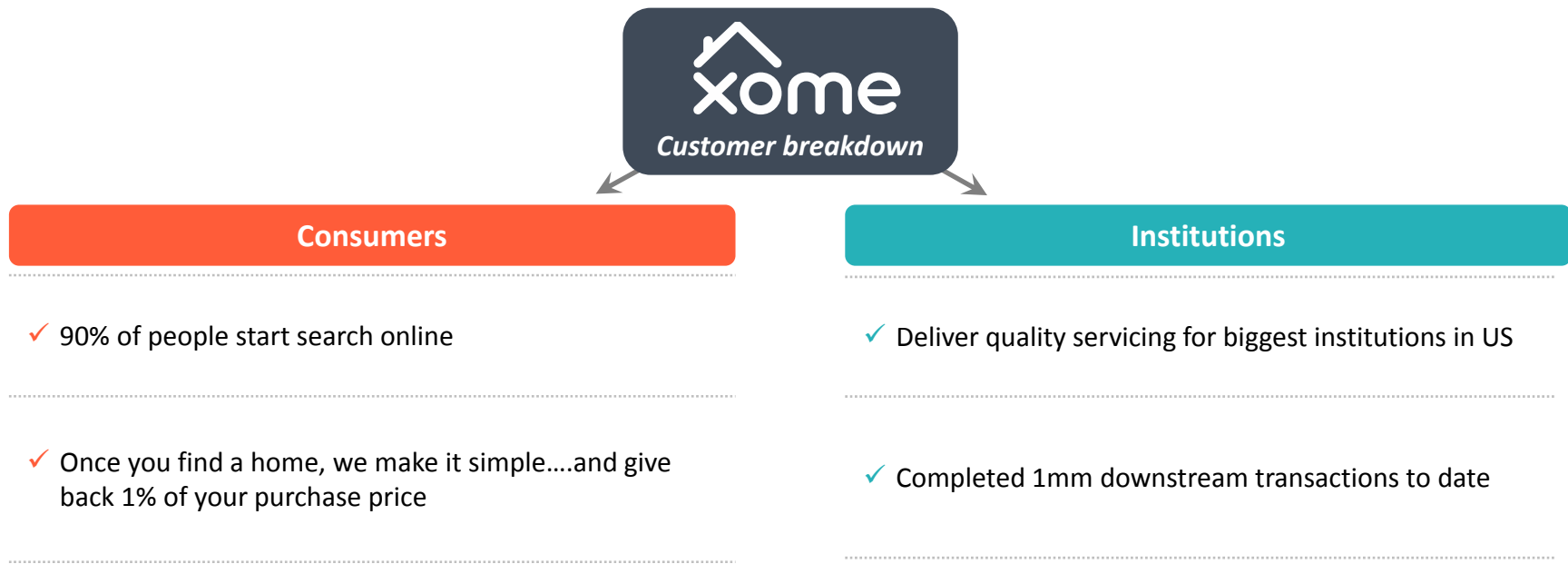
***We assist customers through every step of the process from start to finish including:***

- ✓ Find a home via dynamic search platform
- ✓ Transact
- ✓ Save money and time

***Making the real estate process easier and more transparent***

# Xome: Business Overview

- **The residential real estate market is a large and attractive industry, primed for a technology revolution**
  - ✓ 5 million home purchases and 5 million refinances completed annually
  - ✓ \$110 billion industry, with evergreen inventory and attractive economics
- **Traditional process of buying / selling a home is stressful, filled with complexities and lacks transparency**
  - ✓ Most expensive transaction a consumer will make, and is often the most stressful due to a lack of visibility



## We Believe...

- ✓ Buying a house should be fun.
- ✓ Closing should be simple.
- ✓ The process should be transparent.





## Q2'15 Outlook

### Originations

- Favorable rate environment continued in April
  - ✓ \$1.6B net lock volume
- HARP extended through the end of 2016
  - ✓ \$38B opportunity
- April fundings of \$1.6B at ~140 bps pretax income margin

### Servicing

- 10-year treasury yield increased by ~30 bps since 3/31<sup>(1)</sup>
- Expect amortization to decline with rising rates
- Closed \$31B of portfolios QTD
- Potential for HECM securitization and trust collapses in Q2 / Q3
- Continue cost reduction initiatives

### Solutionstar

- Entering peak summer sales season
  - ✓ Sold 2,100 properties in April
- Xome launch mid-June

1) As of 5/18/15

# Endnotes



**Adjusted Cash Flow (“Adjusted Cash Flow”)** This disclaimer applies to every usage of in this presentation. Adjusted Cash Flow is a metric that is used by management to provide an estimate of cash flow generated by the operating segments. Adjusted Cash Flow begins with pretax income and makes adjustments for cash and non-cash items including changes in the fair value of MSRs, value of capitalized servicing retained, depreciation and amortization, stock based compensation and cash taxes.

**Adjusted Operating Income (“Adjusted Operating Income”)** This disclaimer applies to every usage of Adjusted Operating Income in this presentation. Adjusted Operating Income is a metric that is used by management to provide a better depiction of the results of servicing operations by excluding changes in fair value of the MSR and payments made to partners in connection with excess spread co-investment and the sale of servicing advances.

# Appendix



# Servicing: Pretax Income Reconciliations & Cash Flows



<i>Pretax Income</i>		
<i>\$ in mm</i>	<u>Q1'15</u>	<u>Q4'14</u>
<b>New Presentation</b>		
Pretax Income	(\$106)	\$14
Mark to Market ("MTM")	110	21
<b>Pretax Income (ex. MTM)</b>	<b>\$4</b>	<b>\$35</b>
<b>In bps</b>	<b>0.4</b>	<b>3.7</b>
<b>Old Presentation</b>		
Pretax Income	(\$106)	\$14
MTM	110	21
Scheduled payments / excess spread recapture liability & MSR financing liability accretion <sup>(1)</sup>	19	26
<i>MTM – Old Presentation</i>	<i>128</i>	<i>46</i>
One time items	--	8
<b>Core Pretax Income</b>	<b>\$23</b>	<b>\$69</b>
<b>In bps</b>	<b>2.3</b>	<b>7.3</b>

<i>Adjusted Cash Flow<sup>(2)</sup></i>		
<i>\$ in mm</i>	<u>Q1'15</u>	<u>Q4'14</u>
Pretax Income	(\$106)	\$14
MTM	110	21
Amortization	63	46
Excess Spread – principal payments	40	39
Other	3	5
<b>Adjusted Cash Flow<sup>(2)</sup></b>	<b>\$110</b>	<b>\$125</b>

- 1) Excess spread recapture liability related to recaptured loans that have refinanced during period. MSR financing liability accretion related to the recovery of advances and related reduction in financing costs
- 2) Please refer to Appendix for information on non-GAAP numbers and reconciliations. Adjusted cash flow intended to be estimated cash flow generated from operations. Excess spread is treated as a financing under GAAP. For an approximation of free cash flow, excess spread principal payments should be deducted from adjusted cash flow.

# Servicing: Operational P&L



*Refined presentation provides more insight into servicing's performance*

	Q1'15		Q4'14	
	\$	bps	\$	bps
Operating Revenue <sup>(1)</sup>	\$357.5	37.1	\$362.4	38.2
Labor costs	58.4	6.1	65.8	6.9
Direct corporate allocation <sup>(2)</sup>	39.2	4.1	38.5	4.1
Other direct expenses	83.4	8.7	81.6	8.6
Total Expenses	181.0	18.8	185.9	19.6
Other (income) / expense <sup>(3)</sup>	14.7	1.5	(4.6)	(0.4)
<b>Adj. operating income b/f amortization</b>	<b>161.8</b>	<b>16.8</b>	<b>181.1</b>	<b>19.1</b>
Total amortization	62.9	6.5	46.3	4.9
<b>Adjusted operating income</b>	<b>98.9</b>	<b>10.3</b>	<b>134.9</b>	<b>14.2</b>
MSR financing liability payments	34.3	3.6	41.1	4.3
Excess spread payments – principal	40.3	4.2	38.7	4.1
Excess spread payments – interest / other	20.4	2.1	20.3	2.1
Total structured financing payments	95.0	9.9	100.1	10.7
<b>Pretax income ex. MTM</b>	<b>3.9</b>	<b>0.4</b>	<b>34.8</b>	<b>3.7</b>
Financing MTM	4.4	0.5	(5.0)	(0.5)
MSR MTM	(109.7)	(11.4)	(26.9)	(2.8)
Excess Spread MTM	(4.4)	(0.5)	11.2	1.2
Total MTM adjustments	(109.7)	(11.4)	(20.7)	(2.2)
GAAP Pretax Income	(105.8)	(11.0)	14.1	1.5
Average UPB (\$B)	\$385.6	--	\$379.4	--

*Ability to leverage existing employee base*

*Q4'14 included benefits from reverse HECM securitization, master trust collapse and advance discount accretion*

*Amortization up due to rate environment*

*MSR financing liability payments will continue to decline as PLS advances are recovered*

*Q1 avg UPB includes \$9B portfolio closed on 3/31; no earnings received on portfolio in Q1*

- 1) Operating revenue excludes payments made in connection with excess spread co-investment and sale of advances, amortization and MTM adjustments.
- 2) Direct corporate allocation includes: legal / compliance, accounting and finance involved directly with the segment
- 3) Other (income) / expense excludes portion of excess spread remittance treated as financing. See appendix for reconciliation

# Q4 MTM Adjustments and Amortization Reconciliations



	Q4'14		
	\$	Bps	
<i>\$ in mm</i>			
MTM Adjustments – Q4 Press Release	\$ 46.2	4.9	
Less: Scheduled principal payments	(20.0)	(2.1)	<i>Moved to amortization</i>
Less: Excess spread recapture liability / MSR financing liability accretion <sup>(1)</sup>	(5.5)	(0.6)	<i>Excess – moved to amortization; MSR financing - moved from amortization</i>
<b>MTM Adjustments – Operating P&amp;L Presentation</b>	<b>\$ 20.7</b>	<b>2.2</b>	
<i>\$ in mm</i>			
	Q4'14		
	\$	Bps	
Amortization – Q4 Press Release	\$ 73.3	7.7	
Plus: Scheduled principal payments	20.0	2.1	<i>Moved from MTM</i>
Plus: Excess spread recapture liability / MSR financing liability accretion <sup>(1)</sup>	5.5	0.6	<i>Excess - moved from MTM; MSR financing – moved to MTM</i>
Less: Reverse / HECM amortization accretion <sup>(2)</sup>	(13.7)	(1.4)	<i>Reverse MSRs on LoCOM</i>
Less: Excess spread payments – principal	(38.7)	(4.1)	<i>Separate line item on Operating P&amp;L</i>
<b>Amortization – Operating P&amp;L Presentation</b>	<b>\$ 46.3</b>	<b>4.9</b>	

- 1) Excess spread recapture liability related to recaptured loans that have refinanced during period. MSR financing liability accretion related to the recovery of advances and related reduction in financing costs  
 2) Excluded from Q4 press release prior breakout of fair value adjustments because not carried at fair value; During the quarter reverse servicing operations and the HECM securitization resulted in a reduction in the mortgage servicing rights liability and a credit to reverse amortization (increase in reverse revenue).

## Servicing: Operational P&L (in bps)



	Q1'15	Q4'14	Q3'14	Q2'14	Q1'14
Operating Revenue <sup>(1)</sup>	37.1	38.2	39.4	40.5	39.2
Labor costs	6.1	6.9	6.5	6.8	6.6
Direct corporate allocation <sup>(2)</sup>	4.1	4.1	3.6	3.5	3.5
Other direct expenses	8.7	8.6	7.1	9.1	7.1
<b>Total Expenses</b>	<b>18.8</b>	<b>19.6</b>	<b>17.2</b>	<b>19.4</b>	<b>17.2</b>
Other (income) / expense	1.5	(0.4)	1.0	3.1	4.1
<b>Adj. operating income b/f amortization</b>	<b>16.8</b>	<b>19.1</b>	<b>21.3</b>	<b>18.1</b>	<b>17.9</b>
Total amortization	6.5	4.9	5.6	3.5	4.6
<b>Adjusted operating income</b>	<b>10.3</b>	<b>14.2</b>	<b>15.7</b>	<b>14.6</b>	<b>13.3</b>
MSR financing liability payments	3.6	4.3	4.4	4.9	3.6
Excess spread payments – principal	4.2	4.1	4.3	4.2	3.7
Excess spread payments – interest / other	2.1	2.1	2.3	2.3	2.2
<b>Total structured financing payments</b>	<b>9.9</b>	<b>10.7</b>	<b>11.0</b>	<b>11.4</b>	<b>9.5</b>
<b>Pretax income ex. MTM</b>	<b>0.4</b>	<b>3.7</b>	<b>4.7</b>	<b>3.2<sup>(3)</sup></b>	<b>3.7<sup>(3)</sup></b>
Financing MTM	0.5	(0.5)	(0.7)	4.1	0.7
MSR MTM	(11.4)	(2.8)	9.5	2.9	(0.3)
Excess spread MTM	(0.5)	1.2	(4.1)	(2.9)	0.9
<b>Total MTM adjustments</b>	<b>(11.4)</b>	<b>(2.2)</b>	<b>4.6</b>	<b>4.1</b>	<b>1.2</b>
<b>GAAP Pretax Income</b>	<b>(11.0)</b>	<b>1.5</b>	<b>9.4</b>	<b>7.1</b>	<b>5.0</b>
<b>Average UPB (\$B)</b>	<b>\$386</b>	<b>\$379</b>	<b>\$378</b>	<b>\$378</b>	<b>\$388</b>

1) Operating revenue excludes payments made in connection with excess spread co-investment and sale of advances, amortization and MTM adjustments.

2) Includes compliance, accounting, finance

3) Totals may not sum due to rounding

## Servicing: Pretax Income Reconciliation



\$ in mm	Q1'15	Q4'14	Q3'14	Q2'14	Q1'14
<b>New Presentation</b>					
Pretax Income	(\$106)	\$14	\$89	\$67	\$50
Mark to Market ("MTM")	110	21	(44)	(39)	(12)
<b>Pretax Income (ex. MTM)</b>	<b>\$4</b>	<b>\$35</b>	<b>\$46</b>	<b>\$28</b>	<b>\$38</b>
<b>In bps</b>	<b>0.4</b>	<b>3.7</b>	<b>4.7</b>	<b>3.2</b>	<b>3.7</b>
<b>Old Presentation</b>					
Pretax Income	(\$106)	\$14	\$89	\$67	\$50
MTM	110	21	(44)	(39)	(12)
Scheduled payments / excess spread & financing liability accretion <sup>(1)</sup>	19	26	43	32	23
<i>MTM – Old Presentation</i>	<i>128</i>	<i>46</i>	<i>(1)</i>	<i>(7)</i>	<i>11</i>
One time items	--	8	4	26	18
<b>Core Pretax Income</b>	<b>\$23</b>	<b>\$69</b>	<b>\$93</b>	<b>\$86</b>	<b>\$79</b>
<b>In bps</b>	<b>2.3</b>	<b>7.3</b>	<b>9.9</b>	<b>9.0</b>	<b>8.2</b>

1) Increases during Q2'14 and Q3'14 principally related to accretion of MSR financing liability related to recovery of advances and excess spread liability related to recaptured loans.



# Servicing: Operating P&L Reconciliation



## GAAP Revenue Reconciliation

<i>\$ in MM</i>	Q1'15	Q4'14	Q3'14	Q2'14	Q1'14
Operating Revenue	\$358	\$362	\$373	\$383	\$380
Less: MSR Financing Liability	(34)	(40)	(42)	(47)	(35)
Less: Excess Spread - principal	(40)	(39)	(41)	(40)	(36)
Less: Amortization – total	(63)	(46)	(53)	(33)	(45)
MTM Adjustments	(110)	(21)	44	39	12
Other	(1)	(1)	(1)	(1)	(1)
<b>GAAP Revenue</b>	<b>\$109</b>	<b>\$215</b>	<b>\$280</b>	<b>\$302</b>	<b>\$275</b>

## GAAP Other Income / (Expense) Reconciliation

<i>\$ in MM</i>	Q1'15	Q4'14	Q3'14	Q2'14	Q1'14
Other Income / (Expense)	(\$15)	\$5	(\$9)	(\$29)	(\$40)
Plus: Excess Spread – Interest	(19)	(19)	(20)	(20)	(20)
<b>GAAP Other Income / (Expense)</b>	<b>(\$34)</b>	<b>(\$14)</b>	<b>(\$30)</b>	<b>(\$49)</b>	<b>(\$60)</b>

## Segment Adjusted Cash Flow Reconciliations

\$ in mm	Q1'15					Q4'14				
	Servicing	Solutionstar	Orig	Corp / Other	Total	Servicing	Solutionstar	Orig	Corp / Other	Total
GAAP Pretax Income	(\$106)	\$32	\$59	(\$59)	(\$74)	\$14	\$34	\$46	(\$62)	\$32
MTM Adjustments	\$110	---	---	---	\$110	\$21	---	---	---	\$21
Amortization	\$63	---	---	---	\$63	\$46	---	---	---	\$46
Principal Payments on Co-Invest	\$40	---	---	---	\$40	\$39	---	---	---	\$39
Servicing Value Retained	---	---	(\$44)	---	(\$44)	---	---	(\$52)	---	(\$52)
Other <sup>(1)</sup>	\$3	\$6	\$2	\$8	\$19	\$5	\$0	\$3	(\$11)	(\$2)
<b>Adjusted Cash Flow</b>	<b>\$110</b>	<b>\$38</b>	<b>\$18</b>	<b>(\$52)</b>	<b>\$114</b>	<b>\$125</b>	<b>\$34</b>	<b>(\$3)</b>	<b>(\$74)</b>	<b>\$83<sup>(2,3)</sup></b>

- 1) Other includes \$13mm of depreciation & amortization, \$6mm of stock based compensation and (\$1mm) of cash taxes in Q1'15. Other includes \$10mm of depreciation & amortization, \$5mm of stock based compensation and \$18mm of cash taxes in Q4'14.
- 2) Total may not sum due to rounding
- 3) Adjusted cash flow in Q4 presentation of \$118mm should have been \$83mm to reflect cash taxes paid in Q4

# Substantial Cushion on Proposed FHFA Requirements

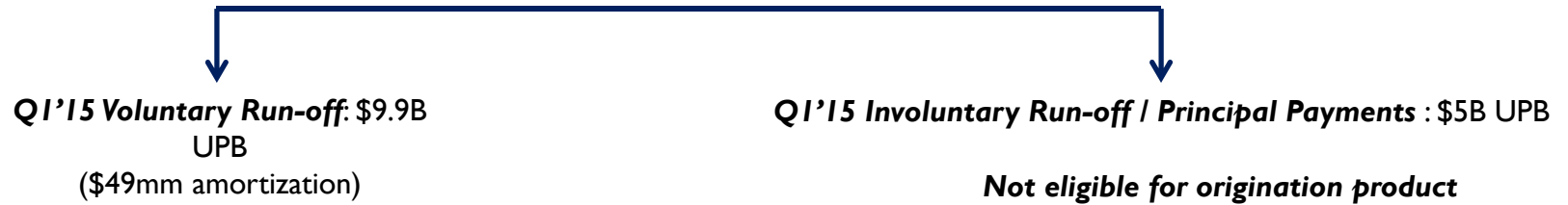


	Q1'15	FHFA Minimum	Cushion
<i>\$ in mm, unless noted</i>			
<b>Nationstar Mortgage LLC</b> <i>(seller / servicer)</i>			
<b>Tangible Net Worth</b>	\$1,552	\$929	\$623
<b>Assets</b>	\$12,642		
<b>Tangible Net Worth / Assets</b>	12%	6%	6%
<b>Total Owned UPB (\$B)</b>	\$371		
<b>Owned Agency UPB (\$B)</b>	\$235		
<b>Agency 90+ DQ UPB &gt; 6%</b>	--		
<b>Liquidity<sup>(1)</sup></b>	\$1,130	\$82	\$1,047

1) Liquidity includes cash, cash equivalents and available capacity to immediately borrow agency servicer advance facilities in which unencumbered collateral is available to pledge and marketable securities

# Originations: Recapture Economic Impact

Q1'15 Total Run-off:  
~\$15B UPB



**Not eligible for origination product**

- ✓ Charge-offs
- ✓ Foreclosure
- ✓ REO

**Recaptured:** \$2.3B  
(24% recapture)

**Not Recaptured:** \$7.6B

- Initiatives to increase retention:**
- ✓ Customer for Life / Customer Select
  - ✓ Predictive pay algorithm technology
  - ✓ RED MLS data

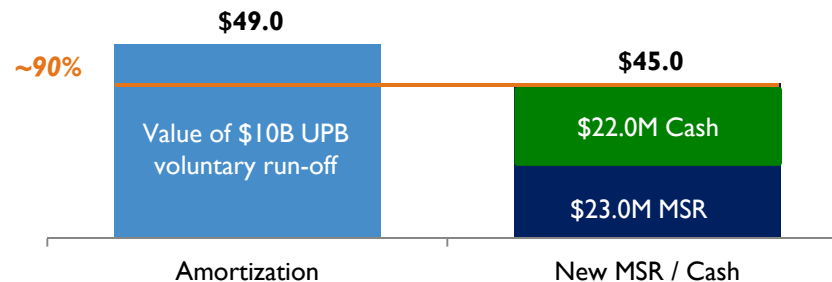
**Lower delinquencies = lower operating structure**

**Economics Generated**

Cash: \$22mm<sup>(1)</sup>

New MSR: \$23mm

### Economic Impact of Retention



**Recapture of voluntary payoffs mitigated ~90% of run-off economic value**

1) Cash from points, fees, secondary gains