



FIRST QUARTER 2017 RESULTS
INVESTOR SUPPLEMENT

MAY 4, 2017

IMPORTANT INFORMATION

This presentation contains summarized information concerning Nationstar Mortgage Holdings Inc. (the "Company") and the Company's business, operations, financial performance and trends. No representation is made that the information in this presentation is complete. For additional financial, statistical and business related information, as well as information regarding business and segment trends, see the Company's most recent Annual Report on Form 10-K ("Form 10-K") and Quarterly Reports on Form 10-Q filed with the U.S. Securities and Exchange Commission (the "SEC"), as well as the Company's other reports filed with the SEC from time to time. Such reports are or will be available in the Shareholder Relations section of the Company's website (www.mynationstar.com) and the SEC's website (www.sec.gov).

FORWARD LOOKING STATEMENTS

Any statements in this presentation that are not historical or current facts are forward looking statements. These forward looking statements include, but are not limited to, statements regarding: estimates of servicing boardings and originations profitability. Forward looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Certain of these risks and uncertainties are described in the "Business" and "Risk Factors" sections of our Form 10-K and other documents filed with the SEC, which are available at the SEC's website (www.sec.gov). Nationstar undertakes no obligation to publicly update or revise any forward looking statements or any other information contained herein, and the statements made in this presentation are current as of the date of this presentation only.

NON-GAAP MEASURES

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

OVERVIEW

- Adjusted quarterly EPS⁽¹⁾ of \$0.30
- Achieved adjusted servicing profitability of 5.6 bps
- Originations recorded quarterly adjusted earnings⁽¹⁾ of \$27 million
- Xome® recorded quarterly earnings of \$13 million
- Executed initiatives to achieve over \$200 million in lower expenses year-over-year

HIGHLIGHTS

\$ MM, UNLESS NOTED	Q4'16	Q1'17	% QoQ
CONSOLIDATED GAAP PTI	\$317	\$3	(99%)
MARK-TO-MARKET	(\$290)	\$38	n/a
NON-RECURRING ⁽²⁾	\$29	\$6	n/a
ADJUSTED PRETAX INCOME ⁽¹⁾	\$56	\$47	(16%)
GAAP EPS	\$2.01	\$0.02	(99%)
ADJUSTED EPS ⁽¹⁾	\$0.36	\$0.30	(17%)

KEY METRICS

\$ MM, UNLESS NOTED	Q4'16	Q1'17	% QoQ
ADJ SERVICING PROFITABILITY (BPS)	5.0	5.6	12%
AVERAGE UPB	\$464	\$470	1%
CPR, NET OF RECAPTURE	15%	11%	27%
60+ DAY DELINQUENCY RATE	5%	4%	15%
RECAPTURE	28%	32%	14%
FUNDED VOLUME	\$5,338	\$4,632	(13%)
XOME 3 RD PARTY REVENUE %	44%	39%	(11%)



HIGHLIGHTS

\$ MM, UNLESS NOTED	Q4'16	Q1'17	% QoQ
OPERATIONAL	\$317	\$299	(6%)
AMORTIZATION	(79)	(61)	23%
MARK-TO-MARKET	290	(38)	-
TOTAL REVENUES	528	200	(62%)
EXPENSES	(156)	(158)	1%
OTHER	(24)	(16)	(33%)
GAAP PRETAX INCOME	\$348	\$26	(93%)
MARK TO MARKET	(290)	38	-
ADJUSTED PRETAX INCOME ⁽¹⁾	\$58	\$65	12%
ADJUSTED PROFITABILITY	5.0	5.6	12%
AVERAGE UPB (\$B)	\$464	\$470	1%

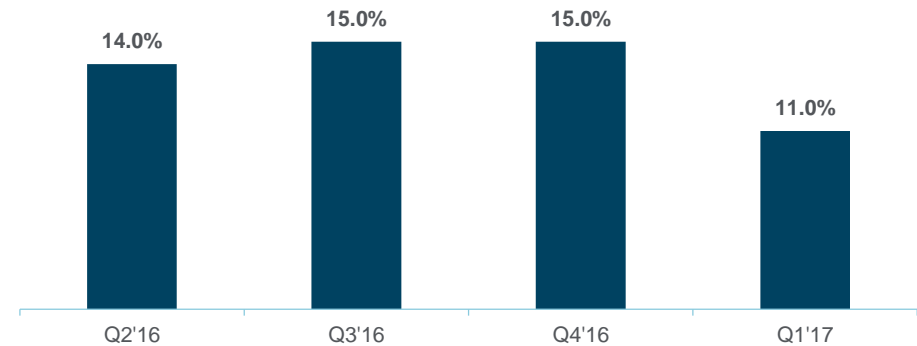
BOARDINGS (\$B)⁽³⁾

UPB (\$B)	2016	Q1'17	Q2-Q4'17E	2017E
SUBSERVICING	\$95	\$12	\$138	\$150
MSR OWNED ⁽⁴⁾	66	6	17	23
TOTAL BOARDINGS	\$161	\$18	\$155	\$173

OVERVIEW

- \$65 million adjusted pretax income⁽¹⁾, 5.6 bps adjusted profitability
- Annualized CPR net of recapture down QoQ to 11.1%
- Awarded top servicing performance rating from Fannie Mae
- Operations preparing to board \$155 billion for remaining 2017⁽³⁾
- Reduction in prepayments extending duration and cash flows

CPR, NET OF RECAPTURE



HIGHLIGHTS

\$ MM, UNLESS NOTED	Q4'16	Q1'17	% QoQ
GAAP PRETAX INCOME	\$31	\$25	(19%)
NON-RECURRING ⁽⁵⁾	\$12	\$2	-
ADJUSTED PRETAX INCOME ⁽¹⁾	\$43	\$27	(37%)
ADJUSTED PRETAX MARGIN ⁽¹⁾	27%	19%	(30%)
PULL THROUGH ADJUSTED LOCK VOLUME	\$4,870	\$3,805	(22%)
FUNDED VOLUME	\$5,338	\$4,632	(13%)
PURCHASE MIX ⁽⁶⁾	19%	20%	5%
CONSUMER DIRECT MIX ⁽⁶⁾	72%	71%	(1%)
RECAPTURE	28%	32%	14%

MARCH 2017 OPERATING RESULTS

signal return to \$40+ million quarterly profitability

\$ MM, UNLESS NOTED	March 2017
PULL THROUGH ADJUSTED LOCK VOLUME	\$1,398
FUNDED VOLUME	\$1,414
ADJUSTED PRETAX INCOME ⁽¹⁾	\$15

OVERVIEW

- Posted \$27 million adjusted pretax income⁽¹⁾
- Right-sized operations for anticipated volume and achieved alignment between pull-through adjusted lock and funded volume in March
 - Return to \$40+ million profitability expected in Q2'17
- Recapture increased to 32%
- Focused on increasing purchase transactions from existing customers
 - Individualized market/property insights from StreetSmarts™

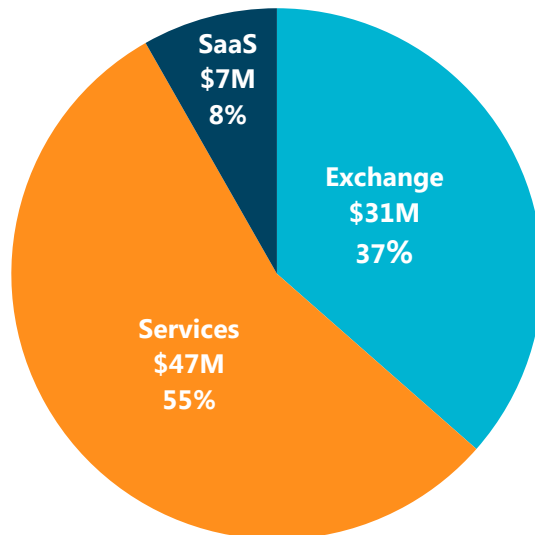
HIGHLIGHTS

\$MM, UNLESS NOTED	Q4'16	Q1'17	% QoQ
GAAP PRETAX INCOME	\$16	\$13	(19%)
NON-RECURRING ⁽⁷⁾	\$2	-	n/a
ADJUSTED PRETAX INCOME ⁽¹⁾	\$18	\$13	(28%)
PROPERTIES SOLD	3,687	3,414	(7%)
REO INVENTORY AT PERIOD END	4,669	4,382	(6%)
3 RD PARTY REVENUE %	44%	39%	(11%)

OVERVIEW

- \$13 million GAAP pretax income
- Exchange
 - Launched referral partnership with “sale-by-owner” platform with 150+ listings in first month
 - Increasing third party inflows from GSE REOs and FHA foreclosure sales
- SaaS
 - White-label product expected to penetrate 30% of the mortgage market over next year
- Services
 - Added three financial institution customers for title business and increasing wallet share with existing customers

Q1'17 REVENUE MIX (\$M)



STOCKHOLDER VALUE & CAPITAL POSITION



INTRINSIC VALUATION ⁽⁹⁾

(\$B, EXCEPT PER SHARE AMOUNTS)	VALUATION	PER SHARE ⁽¹⁰⁾
TANGIBLE BOOK VALUE (ex. GOODWILL)	\$1.6	\$16
XOME, RECAPTURE, SUBSERVICING, net of CORPORATE ⁽¹¹⁾	\$1.2 - \$1.5	\$12 - \$15
NSM INTRINSIC VALUATION ⁽⁹⁾	\$2.8 - \$3.1	\$28 - \$31

STOCKHOLDER VALUE

- Intrinsic valuation includes items not reflected in the tangible book value:
 - Valuation of Xome
 - Our ability to retain customers and partially offset prepayments through integrated Originations platform
 - Profitability from existing subservicing agreements

CUSHION ON FNMA REQUIREMENTS

\$ MM, UNLESS NOTED	Q1'17	FNMA MINIMUM	CUSHION
TANGIBLE NET WORTH	\$1,701	\$1,000	\$701
TANGIBLE NET WORTH / ASSETS	9%	6%	3%
LIQUIDITY ⁽⁸⁾	\$443	\$182	\$261

CAPITAL POSITION

- Strong capital ratios with significant cushion for growth
- Purchased \$46 million senior notes during Q1'17
- \$100 million share repurchase authorization for 2017



FIRST QUARTER HIGHLIGHTS

2017 INITIATIVES

SERVICING

- Achieved adjusted servicing profitability of 5.6 basis points
- Awarded Fannie Mae's top servicer recognition for performance

- Board \$155B UPB for remaining 2017⁽³⁾
- Achieve adjusted servicing profitability of 5 basis points or higher on average

ORIGINATIONS

- Right-sized operations for anticipated volume and achieved balanced locked to funded volume in March
- Improved recapture rate to 32%

- Return to \$40+ million quarterly profitability
- Increase recapture on purchase transactions from existing customers

XOME

- Increased third-party inflows began replacing existing REO inventory
- Added three new clients in services and increased capture with existing clients

- Grow property listings on exchange with GSE REO, FHA foreclosure sale, and "sale-by-owner" referral programs
- Penetrate 30% of the mortgage market through white label product

CORPORATE / CAPITAL POSITION

- Maintained capital ratios that materially exceeded regulatory capital standards
- Executed expense saving initiatives across all segments

- Lower total expenses by over \$200 million year-over-year
- Launch Mr. Cooper brand in August

APPENDIX: SERVICING OPERATIONAL P&L (IN BPS)

	Q1'16	Q2'16	Q3'16	Q4'16	Q1'17
OPERATING REVENUE	39.9	43.2	39.6	33.7	30.7
LABOR COSTS	6.8	7.0	6.4	5.6	5.1
DIRECT CORPORATE ALLOCATION	4.4	4.4	4.5	3.3	3.3
OTHER DIRECT EXPENSES	6.5	5.3	5.0	4.6	4.8
TOTAL EXPENSES	17.7	16.8	15.9	13.4	13.2
OTHER (INCOME) / EXPENSE	(0.2)	0.3	0.6	0.3	(0.3)
ADJ. OPERATING INCOME B/F AMORTIZATION	22.4	26.1	23.1	20.0	17.8
MSR AMORTIZATION	(11.5)	(14.2)	(14.1)	(11.2)	(8.8)
EXCESS SPREAD ACCRETION	4.9	5.9	4.7	4.4	3.5
TOTAL AMORTIZATION	(6.6)	(8.3)	(9.4)	(6.8)	(5.2)
ADJUSTED OPERATING INCOME	15.8	17.8	13.7	13.2	12.5
MSR FINANCING LIABILITY PAYMENTS	2.8	2.8	2.5	1.9	1.7
EXCESS SPREAD PAYMENTS – PRINCIPAL	4.8	5.1	5.2	4.5	3.5
EXCESS SPREAD PAYMENTS – INTEREST / OTHER	2.3	2.2	2.0	1.8	1.7
TOTAL FINANCING STRUCTURE PAYMENTS	9.9	10.0	9.7	8.2	7.0
ADJUSTED PRETAX INCOME	5.9	7.8	4.0	5.0	5.6
EXCESS SPREAD / FINANCING MTM	0.4	2.5	5.1	(5.1)	(0.1)
MSR MTM	(27.1)	(27.0)	(6.0)	30.1	(1.0)
TOTAL MTM ADJUSTMENTS	(26.7)	(24.5)	(0.9)	25.0	(3.2)
NON-RECURRING	(0.4)	---	---	---	(0.2)
GAAP PRETAX INCOME	(21.2)	(16.7)	3.2	30.0	2.2
AVERAGE UPB (\$B)	\$392.0	\$378.0	\$390.0	\$464.1	\$470.3

APPENDIX: NOTES

1. The Company utilizes non-GAAP (or “adjusted”) financial measures as the measures provide additional information to assist investors in understanding and assessing the Company’s and our business segments’ ongoing performance and financial results, as well as assessing our prospects for future performance. The adjusted financial measures facilitate a meaningful analysis and allow more accurate comparisons of our ongoing business operations because they exclude items that may not be indicative of or are unrelated to the Company’s and our business segments’ core operating performance, and are better measures for assessing trends in our underlying businesses. These adjustments are consistent with how management views our businesses. Management uses non-GAAP financial measures in making financial, operational and planning decisions and evaluating the Company’s and our business segment’s ongoing performance.

Adjusted earnings (loss) eliminates the effects of mark-to-market adjustments which primarily reflects unrealized gains or losses based on the changes in fair value measurements of MSRs and their related financial liabilities for which a fair value accounting election was made. These adjustments which can be highly volatile and material due to changes in credit markets, are not necessarily reflective of the gains and losses that will ultimately be realized by the Company. Adjusted earnings (loss) also eliminates, as applicable, restructuring costs, rebranding and integration costs, gain (losses) on sales of fixed assets, certain legal settlement costs that are not considered normal operational matters, and other adjustments based on facts and circumstances that would provide investors a supplemental means for evaluating the Company’s core operating performance.

2. Q1’17 adjustments principally include severance and transition costs related to transferring customer functions on-shore.
3. The identified opportunities are not currently serviced or sub-serviced by the Company and there can be no assurance that these potential transactions will ultimately be consummated, or will remain the same size. Transactions noted may still be subject to regulatory approvals and final closing conditions which could impact the ultimate amounts boarded as well as timing. In addition, actual boarded amounts may differ due principally to portfolio amortization between when a portfolio is awarded versus actual boarding.
4. Includes MSR owned and originations.
5. Q4’16 adjustments principally include the elimination of the Greenlight trade name. Q1’17 adjustments include severance related to right-sizing operations for Q2’17 anticipated volumes and a non-recurring reconciliation of certain refinance fees charged from 2012 and 2013.
6. Based on a percentage of pull through adjusted lock volume.
7. Q4’16 adjustments include non-recurring items principally related to severance and technology write-offs partially offset by investor recovery related to a previously disclosed title and close settlement.
8. Calculated in accordance with FNMA capital standards. Liquidity includes cash and cash equivalents.
9. Estimates of future profitability and illustrative economic value are forward looking and based on a number of factors outside our control. Results could differ materially.
10. Calculated using fully diluted average share count.
11. Some valuation based on previously disclosed valuation estimate. Recapture value based upon 30% recapture rate and is excluded from MSR valuation for GAAP purposes. Subservicing valuation based on estimated future profitability under terms of existing agreements for UPB as of March 31, 2017. Corporate overhead valuation assumes 5 year expense at 10% discount rate.