



**THIRD QUARTER 2017 RESULTS
INVESTOR SUPPLEMENT**

NOVEMBER 2, 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 profitability and boardings, Originations product offerings, customers and income, and Xome’s property sales. 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 \$0.44
- Servicing recorded quarterly adjusted earnings⁽¹⁾ of \$65 million
 - Achieved adjusted servicing profitability of 5.0 bps
- Boarded \$58 billion in the third quarter⁽⁴⁾
 - Expect to board \$44 billion in the fourth quarter for annual total of \$172 billion⁽⁴⁾
- Originations recorded quarterly adjusted earnings⁽¹⁾ of \$46 million
- Xome recorded quarterly adjusted earnings⁽¹⁾ of \$12 million

HIGHLIGHTS

\$ MM, UNLESS NOTED	Q2'17	Q3'17	% QoQ
CONSOLIDATED GAAP PTI	(\$29)	\$12	N/A
MARK-TO-MARKET	\$90	\$48	N/A
ADJUSTMENTS ⁽²⁾	\$6	\$7	N/A
ADJUSTED PRETAX INCOME ⁽¹⁾	\$67	\$67	0%
GAAP EPS	(\$0.20)	\$0.07	N/A
ADJUSTED EPS ⁽¹⁾	\$0.43	\$0.44	2%

\$ MM, UNLESS NOTED	Q2'17	Q3'17	% QoQ
ADJ SERVICING PROFITABILITY (BPS)	4.5	5.0	11%
AVERAGE UPB	\$494	\$521	5%
CPR, NET OF RECAPTURE	12.3%	11.9%	3%
60+ DAY DELINQUENCY RATE	3.5%	3.2%	9%
RECAPTURE	24%	24%	0%
FUNDED VOLUME	\$4,254	\$5,102	20%
XOME 3 RD PARTY REVENUE %	35%	33%	(7%)

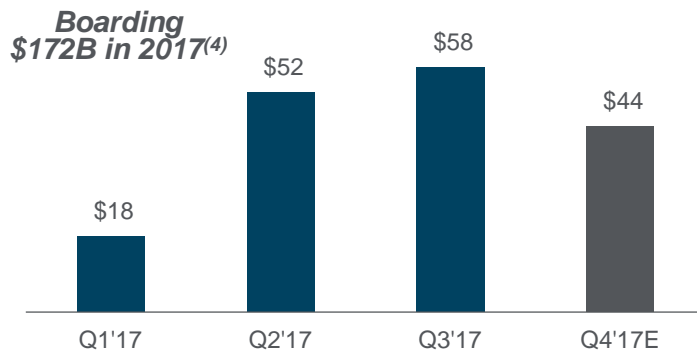
HIGHLIGHTS

\$ MM, UNLESS NOTED	Q2'17	Q3'17	% QoQ
OPERATIONAL	\$302	\$299	(1%)
AMORTIZATION	(66)	(60)	9%
MARK-TO-MARKET	(90)	(48)	N/A
TOTAL REVENUES	146	191	31%
EXPENSES	(175)	(185)	(6%)
OTHER	(13)	9	N/A
GAAP PRETAX INCOME	(\$42)	\$15	N/A
MARK-TO-MARKET	90	48	N/A
ADJUSTMENTS ⁽⁵⁾	7	2	N/A
ADJUSTED PRETAX INCOME ⁽¹⁾	\$55	\$65	18%
ADJUSTED PROFITABILITY	4.5	5.0	11%
AVERAGE UPB (\$)	\$494	\$521	5%
CPR, NET OF RECAPTURE	12.3%	11.9%	3%
60+ DAY DELINQUENCY RATE	3.5%	3.2%	9%

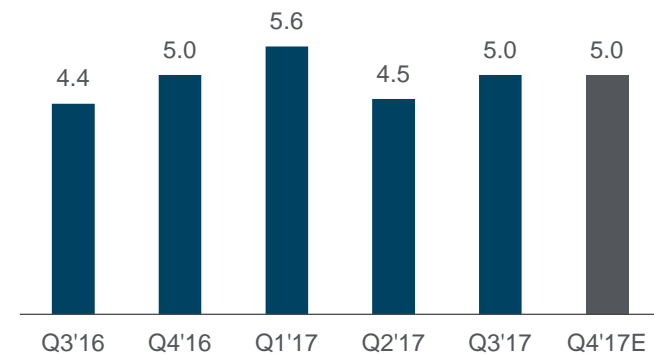
OVERVIEW

- \$65 million adjusted pretax income⁽¹⁾, 5.0 bps adjusted profitability
- Servicing portfolio ended the quarter with \$533 billion in UPB
 - 39% of portfolio is now subservicing
- Boarded \$58 billion UPB during the quarter
 - On track to board \$44 billion UPB in Q4'17⁽⁴⁾
- Average portfolio increased 5% with no increase to labor costs
- Modest portfolio growth achievable from existing partners, larger strategic acquisitions providing upside

BOARDINGS⁽⁴⁾ (\$B)



SERVICING ADJUSTED PTI⁽³⁾ (BPS)



HIGHLIGHTS

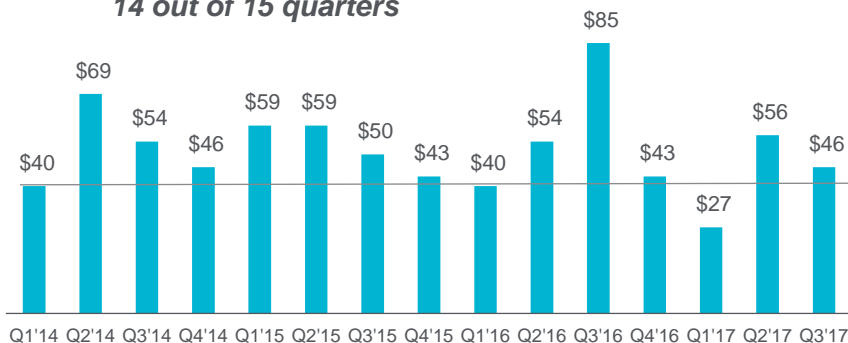
\$ MM, UNLESS NOTED	Q2'17	Q3'17	% QoQ
REVENUES	\$158	\$150	(5%)
EXPENSES	(\$105)	(\$106)	(1%)
GAAP PRETAX INCOME	\$53	\$45	(15%)
ADJUSTMENTS ⁽⁶⁾	\$3	\$1	N/A
ADJUSTED PRETAX INCOME ⁽¹⁾	\$56	\$46	(18%)
PULL THROUGH LOCK VOLUME	\$4,200	\$4,930	17%
FUNDED VOLUME	\$4,254	\$5,102	20%
PURCHASE MIX ⁽⁷⁾	29%	36%	24%
CONSUMER DIRECT MIX ⁽⁷⁾	66%	61%	(8%)
RECAPTURE	24%	24%	0%

OVERVIEW

- Earned \$46 million adjusted pretax income⁽¹⁾
- Increased funded volume by 20% quarter-over-quarter
- Focused on increasing purchase transactions from existing and new customers
 - Individualized market/property insights from StreetSmarts™
 - Expect to launch digital mortgage application in 1H'18

ADJUSTED PRETAX INCOME (\$MM)

Exceeded \$40 million adjusted pretax income 14 out of 15 quarters



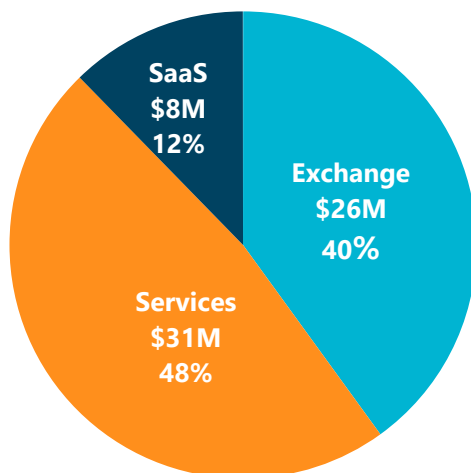
FUNDED VOLUME (\$B)



HIGHLIGHTS

\$MM, UNLESS NOTED	Q2'17	Q3'17	% QoQ
GAAP PRETAX INCOME	\$17	\$11	(35%)
ADJUSTMENTS ⁽⁸⁾	(5)	1	N/A
ADJUSTED PRETAX INCOME ⁽¹⁾	\$12	\$12	0%
DEFAULT PROPERTIES SOLD	3,074	2,772	(10%)
DEFAULT PROPERTY LISTINGS AT PERIOD END	4,174	4,082	(2%)
REFERRAL PROGRAM PROPERTIES SOLD	--	284	N/A
3 RD PARTY REVENUE %	35%	33%	(7%)

Q3'17 REVENUE MIX (\$M)



OVERVIEW

- Posted \$12 million adjusted pretax income
- Exchange: Increased third-party inflows stabilizing default inventory
 - Third-party default inventory increased 41% quarter-over-quarter
 - Accelerated growth of non-default property listings; completed 284 sales from referral program in Q3
- Services: Added nine new customers and expanding product offerings
 - Valuation tools from Quantarium
 - Field services
- SaaS: White-label product expected to penetrate 35% of the mortgage market over next year

3rd QUARTER PROGRESS

GROWTH STRATEGIES ⁽³⁾

SERVICING
5.0
 BASIS POINTS
 ADJUSTED PROFITABILITY

- Generated 5.0 basis points in adjusted servicing profitability YTD
- Boarded \$58 billion UPB to the servicing platform

- Penetrate pipeline for MSRs and subservicing
- Increase efficiency and reduce costs

ORIGINATIONS
\$46
 MILLION
 QUARTERLY ADJUSTED
 PRETAX INCOME

- Earned \$46 million in adjusted pretax income
- Increased funded volume 20% quarter-over-quarter

- Expand new customer acquisition and purchase initiatives
- Launch digital mortgage application

XOME
41%
 3RD PARTY INVENTORY
 QUARTERLY INCREASE

- Expanded 3rd party inventory 41% quarter-over-quarter
- Completed 284 sales from referral program

- Continue to win third-party business and grow referral programs
- Grow valuation and field service offerings

CUSTOMERS
3.3
 MILLION

- Added 347,000 new customers
- Improved complaint ratio 45% year-over-year

- Leverage data and technology from Xome to educate customers
- Help customers manage their largest asset (~\$400 billion in equity in existing customer base)

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.
2. 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 MSR’s 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.
3. Estimates of future profitability or economic value are forward looking and based on a number of factors outside our control. Results could differ materially.
4. 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. In addition, actual boarded amounts may differ due principally to portfolio amortization between when a portfolio is awarded versus actual boarding.
5. The Company launched our own reverse servicing system and terminated our existing contract with a subservicer. As a result, Q3’17 adjustments include duplicative staffing costs associated with boarding the reverse portfolio from a subservicer to Nationstar platform.
6. Q3’17 adjustments include costs associated with IT development expense.
7. Based on a percentage of pull through adjusted lock volume.
8. Q3’17 adjustment include costs associated with transaction expenses.

APPENDIX: SERVICING OPERATIONAL P&L (IN BPS)

	Q3'16	Q4'16	Q1'17	Q2'17	Q3'17
OPERATING REVENUE	39.6	33.7	30.7	29.2	27.0
LABOR COSTS	6.4	5.6	5.1	5.1	4.4
DIRECT CORPORATE ALLOCATION	4.1	3.3	3.3	3.1	3.1
OTHER DIRECT EXPENSES	5.0	4.6	4.8	5.5	6.6
TOTAL EXPENSES	15.5	13.4	13.2	13.7	14.0
OTHER (INCOME) / EXPENSE	0.6	0.3	(0.3)	(0.5)	(2.1)
ADJ. OPERATING INCOME B/F AMORTIZATION	23.5	20.0	17.8	16.1	15.0
MSR AMORTIZATION	(14.1)	(11.2)	(8.8)	(8.6)	(7.8)
EXCESS SPREAD ACCRETION	4.7	4.4	3.5	3.3	3.2
TOTAL AMORTIZATION	(9.4)	(6.8)	(5.2)	(5.3)	(4.6)
ADJUSTED OPERATING INCOME	14.1	13.2	12.5	10.8	10.5
MSR FINANCING LIABILITY PAYMENTS	2.5	1.9	1.7	1.5	1.3
EXCESS SPREAD PAYMENTS – PRINCIPAL	5.2	4.5	3.5	3.3	2.7
EXCESS SPREAD PAYMENTS – INTEREST / OTHER	2.0	1.8	1.7	1.5	1.4
TOTAL FINANCING STRUCTURE PAYMENTS	9.7	8.2	7.0	6.4	5.4
ADJUSTED PRETAX INCOME	4.4	5.0	5.6	4.5	5.0
EXCESS SPREAD / FINANCING MTM	5.1	(5.1)	(0.1)	2.0	(0.6)
MSR MTM	(6.0)	30.1	(1.0)	(9.3)	(4.3)
TOTAL MTM ADJUSTMENTS	(0.9)	25.0	(3.2)	(7.3)	(3.7)
NON-RECURRING	---	---	(0.2)	(0.5)	(0.1)
GAAP PRETAX INCOME	3.6	30.0	2.2	(3.4)	1.1
AVERAGE UPB (\$B)	\$390.0	\$464.1	\$470.3	\$493.8	\$520.9